

ISRAEL: Eyes Right • THE OLYMPICS: Big Bucks

CANADA'S

WEEKLY NEWSMAGAZINE

Maclean's

JUNE 10, 1996

The B.C. Way

The NDP
counters the
conservative
tide



THE HARRIS REVOLUTION

Ontario's radical
stories mark
their first year
in power

Premier
Glen Clark

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Maclean's CANADA'S WEEKLY NEWS MAGAZINE This Week

JUNE 18 1996 VOL. 109 NO. 24

Departments

EDITORIAL 2

LETTERS 4

OPENING NOTES/PASSAGES 10

COVER 12

CANADA 18

Former News Star's premier Donald Cameron appears at the Webby inquiry and blames his own officials, the political opposition, Ottawa bureaucrats and the news themselves for the May 8, 1992, moving disaster.

SPECIAL REPORT 24

WORLD 32

Dirty verdicts in a case related to the Watergate scandal are bad news for U.S. President Bill Clinton.

BUSINESS 42

Media magnate Conrad Black promises to reorganize Canada's biggest newspaper chain, but employees of Southern Inc. fear a new wave of cost-cutting.

OLYMPICS 52

CRIME 58

A school bus hijacking in British Columbia and other incidents raise concerns about teenage crime.

PEOPLE 60

BOOKS 61

James Pridemore, who captured the imagination—and dollars—of sleazy readers around the world with *The Celestine Prophecy*, has written a sequel.

THEATRE 62

The Shaw Festival is once again delighting audiences with its recent playbill and one of the finest repertory companies in the continent.

Columns

BARBARA AMEL 8

ANTHONY WILSON SMITH 21

ROSS LAMER 45

PETER C. HENNING 48

ALLAN FETTERBERG 64

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Cover 12 The B.C. way

Glen Clark narrowly won re-election in British Columbia while his New Democrats buckled the trend towards the political right. For the rest of the country, it means that there will be a strong new voice speaking up for the interests of the Pacific region.



Features

24

The Harris revolution

As Ontario Premier Mike Harris and his Conservatives celebrate the first anniversary of their landslide victory, their radical program is changing the very nature of government.



32

Israel: eyes right

The narrow victory of smooth-talking rightwinger Benjamin Netanyahu in Israel's election raises concern about the Middle East peace process.



52

The Olympics: big bucks

Montreal's Dick Pound has been credited with securing the Olympic movement and now oversees the booming area of Games sponsorship.

COVER PHOTO BY BILLY NICHOLS

From The Editor

The end of loyalty



Old political traditions are dying fast. With four days to go in the British Columbia election, a party leader (45-year-old Sorel Levy Gillies) announces that he is withdrawing from the race in hopes that a rival (Liberal Gordon Campbell) will win. The greater of Ontario goes to Quebec City and, despite the symbolism of its leaders of 18 years, people gossiped together, virtually beating that national unity was not destined. What ever happened to the days when, in the words of an old campaign slogan, "a leader must be a leader?"

The essential problem is that too many politicians have weathered vast storms, reported show no mercy in attacking politicians who are conservative, and voters do not believe anything. The enemy, in sum, is us.

The result is that throughout the land—indeed, throughout the democracies—old loyalties and comfortable ways are being overturned. Coexistence is history on the toughest questions. The Quebec referendum is decided by the margin of a World Series crowd. The NDP won 52 per cent of British Columbia's 75 seats to 44 per cent for the Liberals, but with only 39 per cent of the popular vote, compared with the Liberals' 48 per cent. In Israel, Likud Leader Benjamin Netanyahu took the victory on a margin only 10 votes to 100,000—50.4 per cent to 49.6. And that is not even to mention India, where the 13-day-old minority government tapped last week, or Britain, where Prime Minister John Major has a one-seat margin in the Commons, or Italy and Japan, which have had, respectively, eight and seven governments in the past seven years.

Political parties everywhere seem unable to suffer increasingly vocal or bitter factions. Power has gone to the people. Lovable as

it is for politicians to treat voters as their customers, the give-what-they-want school could have some disturbing consequences.

The most vivid illustration is the national unity issue. Quebec and federal Liberals last week were openly looking about how to respond to the separation threat. As Premier Lucien Bouchard's popularity grows, Prime Minister Jean Chretien's drop in support for sovereignty increases in roughly the same proportion as his of the consequences declines. Clearly, unless the provincial Liberals replace Daniel Johnson as leader, Bouchard will win the next election—possibly next year—and, then, some level of split between Quebec and Canada will be inevitable.

Yet in the rest of the country, there is a collective yawn, as if all of Canada would not be plunged into a political crisis, as if the rifts for loyalties across the country never happened. It is a time for leadership. In Quebec, the embattled Johnson should face a leadership review and clear the air before it is too late. In Ontario, Ontario needs to get three key programs to focus on the unity issue—and to help him out. They are Glen Clark in British Columbia, Ralph Klein in Alberta and Mike Harris in Ontario. Newfoundland, Frank McKenna in New Brunswick and Ray Robinson in Saskatchewan, three governments of Canada. They, in turn, are in Newfoundland, Frank McKenna in New Brunswick and Ray Robinson in Saskatchewan, three governments of Canada. They, in turn, are in Newfoundland, Frank McKenna in New Brunswick and Ray Robinson in Saskatchewan, three governments of Canada. They, in turn, are in Newfoundland, Frank McKenna in New Brunswick and Ray Robinson in Saskatchewan, three governments of Canada.



Aristo: an upset head to focus on unity

But he needs the only one who can convince their skeptical officials that saving Canada's unity issue is the top priority. If they can work together to cut the deficit, surely they can work together to save the country. That is one old tradition worth keeping alive.

Robert Jones

Newsroom Notes:

A tale of two premiers

The antennae were a study in contrasts as Maclean's writers sat down with two of Canada's premiers last week. In Vancouver, the NDP's Glen Clark, fresh from his election victory, had a relaxed, Chief Chris Wood in gleaming government offices at the futuristic sail-shaped Canada Place development overlooking the bustling

Vancouver waterfront. Upbeat and energetic, Clark was at pains to say his focus would not be on the so-called split, but on the concerns of the average voter.



Wood: Jungles (center); Phillips: English a question of who serves the elites

In Toronto, Premier Mike Harris, sounding reflective after a tiring year in office, met with Senior Editor Andrew Phillips and Contributing Editor Mary Jorgensen in the venerable, fortress-like legislative building. Through an open window came the wry voice of one of the coalition protesters who constantly hounded Harris, accusing him and his Tories of catering to an economic elite. "The premier was courteous, calm and firm throughout our conversation," says Jorgensen, "and he greeted the protester just as surely as he has ignored every protester for the past year."

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No rally in Montreal: democracy is very fragile

Lesser of two evils

I was dumbfounded when I read the article "A furor over fraud and illegal spending" (Canada, May 27). I couldn't believe that Quebec's chief electoral officer would think that depriving 30,000 people of their vote was a lesser ill than paying to bring people to a rally. The political scientist from Concordia University, Guy Laflamme, notes that democracy is a very fragile thing. Would it be democratic for the country to be broken up with about 80 per cent of the citizens having no voice in it, let alone a vote?

N. E. J. Davis
Regina

'The real Canada'

Written basically as an advertisement for neoconservative David Frum, his new book and his *Winds of Change* conference in Calgary, Denise Francine's May 20 column indulges in some dubious political and economic analysis as well as some outright distortion of Canadian reality ("The challenge facing: amiable conservatism"). Quoting Frum approvingly, she says that Canadians live in suburbs, drive to work, shop in malls, invest money in mutual

funds, love country music and hate paying taxes. Frum also neglected to mention that the definition of "Canadian" in this context is middle class, white Canadian. Presumably no one really lives in Montreal's St. Henri or Vancouver's East End. Francis likes to see herself as a crusader for the average person, as the enemies of the elites. And who exactly are these elites? They are the media, the politicians, some leaders and academics. The economic elite, that group that is

probably the most influential in determining the basic contours of the lives of Canadians, is conspicuously missing from her laundry list. Finally, on the one hand, she apologizes by citing Frum to the effect that Canadians have a deep-seated nostalgia where they have the audacity to demand social programs in order to rectify poverty and ignorance, and on the other hand, Francis says that a poll for *The Phoenix* Pro proves that Canadians don't love their welfare state. Now, either Canadians are a government-dependent lot or they are government hating. Or perhaps they are both, if we dare talk about Canada having more than one class of people. We shall leave the neocon scribe/spin doctors to decide how they want to cast their aspersions about Canadian society, but all we hope is that they take a better look around them at the real Canada and stop insulting our intelligence.

Alex Muzum,
London, Ont.

If the dominant Canadian ethos is "make a buck, keep a buck and keep it to themselves"—something I strongly do not accept—then I am heading back to the land of narcissism, Scrooge, paranoia and hand-guns where I was born. As one of Denise Francis's beloved (and quite apparently envious) "American conservatives" said I can agree her to do so "Come on down."

Joe Michael Stornace,
Hilton Lake, N.W.

Voter disenchantment

That former Alberta premier Peter Lougheed was able to hang tough while his Alberta Conservatives overtook the Secord is not applicable to the present national situation where our social and economic shape is so bad that disaffection is no longer an option. To Peter C. Newman

Grown-up feminism

I greatly enjoyed your article about Marian Woodman ("A modernist of souls," *Profile*, May 13), but I am surprised and puzzled by the phrase "feminists accuse Woodman of co-opting with the enemy." What are unfortunate homogenization of "feminists," most of whom—at least in the mainstream, nowadays—don't have an "enemy" as you suggest. This characterization of a complex group of individuals and schools of thought as being subject to a knee-jerk and paranoid reactions is particularly disappointing coming on the heels of your article about women and spirituality, which dealt with feminism without falling into this trap ("Is God a Woman," *Cover*, April 8). This simplistic language serves only to perpetuate a stereotype that the feminist movement has long since outgrown.

Catherine Greco,
New Orleans, La.

and Lougheed, the Reform party is an abomination that capitalizes on recent Tory misfortune ("A positive view of conservatism's future," *The Nation's Business*, May 27) and just a representation of most Canadians' thorough disenchantment with their government since 1982. Lougheed's column views from Toronto, Ariz., are interesting only in that they depart from those he held as Alberta's premier in the 1980s. I think he should wear a hat in the Arizona sun.

Neil Colquhoun,
Quebec, Que., B.C. 4C

Plutonium disposal

Your article on the proposed disposal of weapons grade plutonium was worse than a lot of disappointment ("Debating the CANDU option," *Environment*, May 6). It opened by perpetuating the myth of plutonium's supposed status as "one of the world's most toxic substances." This statement was originally made by Raski Naefler when Dr. Bernard Cohen of the University of Pittsburgh offered to eat as much plutonium as Mr. Naefler would consume. Mr. Naefler declined. He was wise to do so, since one gram of pure plutonium will kill you dead. The man is not true of plutonium. In fact, during the Manhattan Project, 25 people accidentally ingested amounts of plutonium for as much as what is now considered a lethal dose. By 1987, only four of the workers had died and only one death was by cancer. The expected number of cancer deaths in a similar group is two to three. Also, the photo is out of context for the story, as the plutonium were carrying

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Canada

[illegible]

Opening Notes

Edited by SHARON DOWLE DARRINGER



Children playing near Rugged Ass Road: color and controversy

A 'magical' Woodyard

It is only a shabby town in old Newfoundland. But to its residents, the Woodyard—a ramshackle neighborhood on the shore of Great Slave Lake—is a picturesque link to the northern capital's early days as a mining town, when prospectors and trappers put up tent shacks and other squalid dwellings wherever they laid down their boots. "The atmosphere here is magical," says writer Janet Smolár, who lives a block away from Rugged Ass



Road—the colorful address that singer Tom Cochrane borrowed for the title of his latest hit album. The Woodyard is rugged as well as ragged. The wooden shacks dot the hillside, some with running water and in some, a toilet. The old days—discarded col-

or cars, boots, pots and pans—are crudely nailed to some outside walls. But the charm of the Woodyard—named for an old firewood company—was lost as city officials who want to turn the publicly owned land into a park. Critics question the structures' historic value, and three of the buildings are slated for demolition this month—despite objections by local residents who want the city to declare the area a heritage site. Conservationists now hope that the Woodyard's recent nomination for a prestigious Phoenix Award—presented by the Society of American Travel Writers in recognition of historic preservation, and rarely given outside of the United States—will save the colorful painter neighborhood. How could the city give down a scenic tourist attraction?

General Motors of Canada Ltd. (University of Toronto, University of Victoria)

Allan Rock, Federal justice minister and attorney general (University of Windsor, Windsor, Ont.)

Honorary degrees of distinction
A nonexclusive series of grants of this year's eminence

Liona Boyd, founder, CEO Award-winning classical guitarist (University of Victoria)

Maureen Kempston Darkes, first female president of Canada's largest company, Oakway-based



Marshall: on fire and the resistant

Igniting the creative spark

When artist Teresa Marshall recently tried to deconstruct a bench in her Vancouver apartment by burning it, the smolder attracted the fire department. It was the third time they had answered alarms set off by her artistic endeavours. Perhaps the last, though, since Marshall last week became the first recipient of a new City of Vancouver award for nearly artists—a set of free studio for three years, complete with concrete floors, industrial fan and shop sink. The flaring bonfire may have contributed to her selection: priority is given to artists who use hazardous materials. But Marshall, a Nova Scotia Marine, says she will miss "the fire department showing up every now and again."

Good riddance

The last case of smogging in Canada was in 1962—when the disease was still killing two million people a year around the world. By 1962, the highly organized smog had been eradicated. But the virus that causes it was allowed to survive in some laboratories for genetic testing. Last month, however, World Health Organization members voted to destroy all remaining stocks of the virus by June 30, 1995. Says Health Canada official Edward Austin, "There was a feeling the world would be better off without it."

Anne Tanenbaum, a leading ghostwriter (University of Toronto)

Moses Zaimir, founder and president of MacMedia, Inc., and Macquib's cable TV network (University of Alberta, Edmonton, Alta.)

'The Killer Tomato'

Child-eaters have a nickname for one of their ships: The Killer Tomato. The Albatross Ocean Vial acquired this sinister not because of the produce-pass around but rather for its chafing ships and bright red paint jobs—both from its ship's career as the Canadian Coast Guard icebreaker Norman McLeod Rogers. Still, Killer Tomato may be an appropriate name. This coast guard sold the 1300-tonnage ship to Chile for \$4 million in 1994—halfway through its useful life—rather than cover the cost of renovating the asbestos insulation that had been built into its walls. In 1992, after discovering asbestos fibres in the air breathed by crew members, the federal agency methodically the redheads. But, says Capt. Patrick Wosney, a former coast guard officer who trained a Chilean crew to operate the vessel last October, the presence of the mineral linked to cancer "doesn't seem to bother the Chilean navy."

The former Canadian icebreaker: asbestos



Putting the pedal to the metal

In the seven months since the U.S. government proposed legislation forcing states to limit speeds on interstate highways to 55 m.p.h. (88 km/h), 20 of the lower 48 have abandoned the double-risk maximum for cars. A motorist's bid to control speed limits on the I-190 near Arizona

• 75 m.p.h. (120 km/h): Arizona, Colorado, Idaho, Nebraska, Nevada, New Mexico, South Dakota, Utah and Wyoming

• 70 m.p.h. (112 km/h): Alabama, California, Florida, Georgia, Kansas, Massachusetts, Missouri, Oklahoma, Texas (55 m.p.h. at night) and Washington

• No daytime limit: Montana (25 m.p.h. at night)

The Canadian Automobile Association, which

BEST-SELLERS

FICTION

1. *The Highway Jump*, John Grisham (7)
2. *The Firm*, John Grisham (10)
3. *The Woman Who Walked Into Doors*, Ruth Reichlin (10)
4. *Love, Apple*, David Copperfield (10)
5. *The Best of Enemies*, John Grisham (10)
6. *The Giver*, Lois Lowry (10)
7. *Appointment in Vienna*, E. Anne (10)
8. *Ball of Fire*, J. J. (10)
9. *Ball of Fire*, J. J. (10)
10. *The Giver*, Lois Lowry (10)

NONFICTION

1. *Book, Book & Book*, David (10)
2. *Simple Abundance*, Sarah (10)
3. *Book, Book & Book*, David (10)
4. *Book, Book & Book*, David (10)
5. *Book, Book & Book*, David (10)
6. *Book, Book & Book*, David (10)
7. *Book, Book & Book*, David (10)
8. *Book, Book & Book*, David (10)
9. *Book, Book & Book*, David (10)
10. *Book, Book & Book*, David (10)

1. *Book, Book & Book*, David (10)

A tale of a missing wife

A finalist for the prestigious Booker Prize, the 1990's *The River God*, set out in paperback, is the superbly written tale of a man who some Europe in search of his wife, who has mysteriously vanished. The early, long-haired, curly, an Australian like the author, is a singularly vibrant creation



supports an Ontario government initiative to raise some highway speed limits to 120 km/h from 110.

The American moves, with an reservation

It notes that an reservation for tracks is set as low as 20 m.p.h. lower than for cars, resulting in what it

considers to be a potentially hazardous situation for drivers and it is up to motorists to be aware of the changing speed limits as they drive from state to state, says CAA president Brian "Nobody wants to see a vehicle wreck because they were speeding"

Passages

COMMITTEE: Socialite Dorothy Joudrie, 61, who shot her estranged husband on June 1, an education mental hospital, by a provincial board of review. On May 5, a jury found Joudrie not criminally responsible in the shooting of prominent businessman Earl Joudrie, 62, who is still recovering from critical injuries, after hearing testimony that she was in a so-called psychiatric state at the time she pulled the trigger. The five-person board issued its decision after hearing evidence from psychiatrists.

Joudrie and lawyers for the Crown and the defence. While the board found Joudrie a significant threat to society, it recommended an early release of her detention. In any event, it must be reviewed within a year.

DIED: Psychedelic drug guru Timothy Leary, 75, a cult figure in the 1960s for advocating that people "turn on, tune in, drop out," of cancer at his Los Angeles home. First as a Harvard University professor in 1963 for using underground studies in LSD tests, Leary was imprisoned on drug-related charges. He was married five times. Leary had threatened to commit suicide in view of people who had access to his Internet home page, but died in his sleep.

WON: By L. R. Wright, 56, the 1990 Arthur Ellis Award for best Canadian crime novel, for *Not for Love*, the seventh in her series about middle-aged B. C. coast RCMP Sgt. Karl Albright.

SENTENCED: Former Saskatchewan cabinet minister John Duncan, 56, to a \$5,000 fine and one year of probation, after pleading guilty to fraud in one of the province's biggest ever political scandals, in Regina. She is the 8th member of former Conservative premier Grant Devine's cabinet found guilty of widespread fraud involving up to \$800,000 in public funds between 1987 and 1994. Duncan, who was also ordered to pay more than \$20,000 in restitution, submitted false expense claims to finance a holiday in Hawaii.

DIED: Lash LaRue, 79, the 1940s Hollywood actor of more than 20 B-grade westerns whose first name reflected his ability to do stunts with a bulging, after undergoing triple bypass surgery in a Los Angeles hospital.

The B.C. Way

BY CHRIS WOOD

The contrast could not have been more apparent. The money was gathered at the Hotel Vancouver—diamonds and business suits circulating politely around a cavernous ballroom on the third floor of what remains, despite an ongoing makeover, very much the dowdy splendour of Vancouver's hotelness. Barely a stone's throw away across Burned Street, the socialists—a noticeably scrawlier crowd, favouring the blue jeans and baseball cap end of the fashion spectrum—overlooked the decidedly more contemporary affluence of the convention floor at the Vancouver Hyatt. The moneyed had gathered in hopes of celebrating victory for the self-declared champion of free enterprise in British Columbia's election, Liberal Gordon Campbell. But it was not to be. Instead, it was the socialists who parted for into the morning hours of last Wednesday, suitably celebrating the re-election of an NDP government led by 58-year-old Premier Glen Clark. "The public wants change," Clark crowed in the wake of the voters' decisive "I represent change."

Well, perhaps. In fact, the contrast displayed on election night last week in British Columbia were, for the most part, more apparent than real—as was Clark's claim to be leading the province of 3.6 million down a radically new road in returning the incumbent New Democrats with a reduced majority to the 75-seat B.C. legislature, voters had, if anything, opted rather gradually to stay the course with a party that demonstrated in its first mandate an appetite for interventionist

activism and social engagement at odds with most other governments in the country—most dramatically with Mike Harris's Conservative Ontario, which this week marks the first anniversary of its election (page 20). But, while that gave the NDP 39 seats to the Liberals' 33, the latest count revealed that more British Columbians (by a margin of 42 per cent of the popular vote to 39 per cent) had voted Liberal than New Democrat. That was a potent reminder to Clark's new government that many citizens remain alarmed by the NDP's record of tax hikes, heavy borrowing and loose spending. "On the debt and deficit," the newly re-elected premier acknowledged, "I hear that loud and clear. We have to bring that back on track."

Still, it was an election outcome that provided B.C. historians with a gratifying number of firsts. It was the first time that the socialist NDP had managed to win back-to-back mandates, for one, albeit with two different leaders. And the election also saw the province send its first Chinese-Canadian MP, New Democrat Jerry Kwan and Liberal Kila Cheng to Victoria, as well as its first two openly gay representatives. For pundits, one of the clearest verdicts in British Columbia's electoral history offered clear evidence for analysis, as they sought to assess the impact of Clark's victory on the troubled fortunes of the Canadian left and on the shifting political dynamics of a nation increasingly at the mercy of its most powerful regions. For the rest of the country, it marked the confirmation in power of a premier who describes himself without reservation as "very much a B.C.-drifter"—

prepared to speak out loudly for his own region and step up the pressure on Ottawa for recognition and reform (page 16).

If the lessons of the vote were ambiguous, they made a thing-of-a-kind campaign that



Clark: "The public wants change. I represent change."

DOWN TO THE WIRE

The B.C. Liberals won more votes than the NDP, but ended up in second place.

	Seats	Popular vote
NDP	39	39%
Liberals	33	42%
Reform	2	9.3%
Progressive Democratic Alliance	1	5.8%

The crushed Liberal-Bloc vote was higher than the NDP vote in 11 other votes by the new Democrats, showing that the split on the right kept the NDP in office.

The New Democrats buck a national trend to the right

was marked for all of its four weeks by ambiguity, contradiction and startling reversals of popular sentiment. Clark entered the campaign ahead by 10 points in most opinion polls—in itself an accomplishment, given that as recently as last November his party had trailed Campbell's Liberals by 25 points. But as Campbell dogged the New Democrats with reminders of Clark's multi-decade hiatus while serving as B.C. finance minister between 1991 and 1993, that lead melted away. By the campaign's final week, polls put the two camps on an even footing.

In the end, however, Campbell's attempts to denigrate Clark as an unrepresentative, toward-spend neo-Bolshevik—a time-honored strategy for right-of-centre politicians in deeply polarized British Columbia—simply failed to stick. It did not help that Campbell's own economic plan, which generated across-the-board tax relief and deep cuts in government spending, developed credibility problems of its own after experts challenged several of its key assumptions. Campbell was further badly served by lead-footed two-

tical advice and his own awkwardness on the stump. By the time the final ballots were tallied, Liberal candidates had made inroads in several of the NDP's former Vancouver strongholds—particularly in polling districts with above-average family incomes. But while a few of Campbell's candidates piled up huge margins—as much as 12,000 votes in one riding—Clark's better-organized ground troops pulled out narrow victories in enough seats to return their party's hold on power.

It was not a lopsided victory. "It is a reasonably comfortable majority," Clark asserted. But in fact, he will have just three votes—two, after the election of a Speaker from government ranks—with which to assert his agenda in the provincial legislature. Sharing the Opposition benches with the Liberals will be two B.C. Reform party members returned by voters in the province's distant and disaffected Peace River country—party leader Jack Waggner and neighboring MLA Richard Neufeld—as well as Gordon Wilson, the brainy but politically ineffectual former Liber-

al leader who lost his followers to Campbell) in 1980. Judi Tyabg, Wilson's wife and the only sitting member of his Progressive Democratic Alliance in the last legislature, lost her bid for re-election. And Clark—said to most disappointed. Finally exasperated from any further relevance in the province—was the Social Credit party, which from the early 1960s until 1991 dominated British Columbia's political landscape.

A combative and intensely partisan campaigner, Clark was inquisitorial in victory. "There is talent on the Liberal side," he said. "However, talent is the Reform party. Gordon Wilson proved it on a tiny meeting room to record his first postelection news conference. And Clark invited his defeated rivals to play a role, through all-party committees of the legislature, in developing new approaches to the most important issues on consulting child protection. But observers not so flattered by victory were skeptical that Clark's olive branch would be taken up. "My sense," said Simon Fraser University visiting political scientist Alisa Whitehorn, a former researcher for the late federal NDP leader David Lewis, "is that the Liberals came so close, they will be even more aggressive in the legislature."

That may depend, in part, on Campbell's return as leader of the self-described forces of free enterprise in British Columbia. In the immediate wake of the vote, some observers speculated that there would be pressure on Campbell to expunge the Liberal defeat by stepping down. Others argued for him to stay—pointing to the Liberals' poor runs in the last two elections, their first-place finish in the popular vote, and the danger of further dividing right-wing voting in the province. "At the moment," warned Norman Boyd, a University of Victoria political scientist, "this is a fragile coalition. One of the dangers, if the critics push too hard, is that the Liberals fragment." Such an outcome, he noted, would mean only to weaken the right's ability to coalesce around a single party in time to unseat the New Democrats at the next opportunity.

While Campbell weighed his long-term options, Clark's focus shifted quickly to the need for immediate action on several fronts. He must rebuild his cabinet, for one thing, finding successors for several key ministers who've had to defend. The most difficult to replace will be Elizabeth Cull, the levelheaded and widely re-



Campbell had advice, not much campaigning

spected former NDP finance minister, who lost her Victoria-area Oak Bay/Gordon Head riding to the Liberals' Chong. Other ministers who retained their seats may also be due for reassignment—among them constitutional Affairs Minister Andrew Porter. Clark also asked Cull to recall the legislature before the end of June, in order to reauthorize the budget that Cull tabled, but did not have time to see passage by, in the dying hours of the last government.

Clark's concentration on these preparations will be tested this week and again later this month by debate opportunities on the national stage. This week, he is to travel to Wharfedale to join other western and territorial leaders for their annual conference. And on June 20 to 21 he will meet Prime Minister Jean Chrétien and the other First Ministers in Ottawa.

Those appearances will give Campbell outside British Columbia the first opportunity to show the measure of the brainy young man who now

leads the country's third largest—and for much of the past decade its last—growing—province. At 38, Clark is three years junior to the new-province provincial leader, Newfoundlander Brian Topp. Married to a teacher, Clark, and the father of two children, the former union organizer's firsthand experience outside British Columbia is limited. That has not noticeably inhibited his impressive self-confidence, as Clark prepares to claim a larger role for his province in national affairs. "We are going to say," he promises, "that British Columbia is an economic engine of the country, that we have lots to contribute to the country, and we're tired of the federal government not responding to our needs and aspirations."

Clark makes no secret, either, of his contempt for much of Ottawa's handling of the country's free-trade unity debate.

"What we have in this country," he told *Macleans* in an interview, "is not a national vision—of anything. We have a kind of bean-counter mentality pervading. And if you reduce the Constitution saying to this distinct society question, then I'm not so sure you'll be successful."

Whatever British Columbia may contribute to the restructuring of Canada during Clark's watch in the months ahead, many analysts appeared to believe that the New Democrat's election had already altered the balance of forces between the political left and right in the country. "This looks like the right-wing, neo-conservative trend in Canada," noted New Democrat MP Steen Bensen, who represents the Vancouver-area riding of Burnaby/Kingsway. Agreed political scientist Whitehorn: "The results here suggest that the neoconservative tide may have peaked in Ontario last year." And Clark himself told *New Democrats* in the rest of the country to take comfort from the party's victory in British Columbia. "It says to New Democrats elsewhere

concern about debt and taxes. For the right-wing there was an even sharper reminder: that voters, at least in progressive British Columbia, are not willing to risk the sacrifice of welfare social programs simply in order to reduce the public deficit. "It sends a message to both the left and right," suggests Hall. "That the electorate are looking for more convergence in terms of priorities."

If that is so, then the conventional reading that west Coast social trends pundits quickly applied to the outcome of British Columbia's vote is probably flawed. According to that popular analysis, Glen Clark and the NDP won solely because Gordon Campbell and the Liberals failed to bring the



Clark with his election night's sweet afterglow

'PEOPLE WANT CHANGE'

Just before leaving to spend an extended weekend with his wife, Dore, and two young children—no longer older than work sons winning the leadership of the British Columbia NDP in mid-February—recently elected Premier Glen Clark spoke with *Macleans*'s Recoverer Bureau Chief Chris Wood. Excerpt:

Macleans: In your first news conference after the election, you sounded like a more compassionate Mike Harris. Does that describe you?

Clark: No. But the right-wing critics have some validity, and we shouldn't be afraid to say so just because we're

NDPers. Government is not automatically good, and we should not be afraid to say that. What we should have in the course to make changes. If you believe that government can and should play a positive role in people's lives, can help to mobilize the public interest and the collective good, then you have a higher obligation to make sure this thing is working. The Ralph Klein appeal, the Mike Harris appeal, is tapping into the alienation that the public feels towards an unwieldy government that is costing them more money and giving them less service. People want some change. And I consent that.

Macleans: What lessons should the federal NDP draw from your election?

Clark: That we have to respond to legitimate concerns that people have about government. And we have to make sure that our program is coherent. We should not be taking our cue from interest groups. We should be responding to the everyday concerns of working families.

Macleans: You must have the dream job of Canadian premier: you govern the province with the most generous welfare and the lowest debt per capita. How can you fail?

Clark: We have the challenge of growth here. Our competitive advantage is as nations in our quality of life. The reason people are moving to British Columbia in record numbers is in great measure because it's a spectacular place to live. That's why I always felt it would be foolishly in the extreme to cut taxes on business and, in order to pay for that, cut services, when the services—health care, education and the environment—are the reasons why people are moving here and enjoying the first place.

The challenges confronting our spectacular quality of life in the face of these growth pressures. We're acting about

50,000 people a year to the Lower Mainland. That's adding a city the size of New Westminster every year. It's a good problem to have. I'd rather lose this problem than a shrinking population. But it does put pressure on our education costs, our health costs, and particularly on infrastructure. And if we don't pay attention to these issues, then competition and deteriorating quality of life will lead to a reduction in immigration and investment.

Macleans: You will be meeting the other First Ministers for the first time after their meeting in Ottawa in mid-June. What will be at the top of your agenda for the first time? **Clark:** The Prime Minister sets the agenda for the First Ministers' conference, and I know that we have by constitutional requirements coming up. I'm not looking forward to the quagmire of able accommodation that is the constitutional discussion. I prefer to talk about the future of education programs like medicine and education. You're not going to be able to appraise a separatist government in Quebec. I strongly believe that a better way to save the country is to concentrate on trying to save these programs.

I often refer to a Macleans poll. A question asked, "How do you define a country?" People defined Canada by the social programs—particularly by medicine. What's happening now, I fear, is that as the federal government retreats from its role in social programs, you undermine those programs that people use to identify the soul of the country.

Macleans: You've said that British Columbia wants to contribute to preserving some of those national institutions. How?

Clark: We've got to get into some serious discussion about redesigning the federation. It may be a long haul, as a country, since we're doing a few things extremely well and some things not at all. Instead of the federal government sticking their fingers in everything, they should say, "We're going to fund 50 per cent of medicine, and we're going to make sure this is the best system in the world and we're not going to have a ministry of forests and we're not going to have a ministry of mines." Instead, you get this rigidity, this machine incompetence that we're seeing in the ministry of fisheries. Maybe they should concentrate on trying to save our national medicine system in the face of very difficult financial circumstances.

Macleans: Is your top priority recognizing Quebec as a distinct society and a bad no, or is there some wriggle room there for constitutional accommodation?

Clark: British Columbians have spoken pretty loudly and very clearly on the question. And I don't see any reason why the federal government that British Columbians are even vaguely attracted to

Clark will claim a larger role for his province

specter former NDP finance minister, who lost her Victoria-area Oak Bay/Gordon Head riding to the Liberals' Chong. Other ministers who retained their seats may also be due for reassignment—among them constitutional Affairs Minister Andrew Porter. Clark also asked Cull to recall the legislature before the end of June, in order to reauthorize the budget that Cull tabled, but did not have time to see passage by, in the dying hours of the last government.

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Winning office: "In, not in the Reform party"

that we have to be proud of our roots, proud of where we're from and what we've built in this country, proud of medicine. And you should never cut back again from that level."

But even in the quietest afterglow of victory, Clark was careful not to overstate the lessons the left should draw from events in British Columbia. Rejecting what he called "the myth" that New Democrats are reflexive supporters of big government, Clark observed that right-wing leaders like Ontario's Harris and Alberta's Ralph Klein are tapping into a certain alienation with government, a concern that government is not working well, which I share. "And," he added, "clearly that means we have to respond to that concern."

As unusual as it was to have a career New Democrat issue may doubt at all about the merits of government, the left is very much a divided house that clearly deserves a hearing at both ends of the political spectrum. The NDP may have been sharply reminded that voters have not

Passing the Westray buck

Former Nova Scotia premier Donald Cameron blames everyone but himself for the tragedy

It was vintage Donald Cameron. Last week, the former Conservative premier of Nova Scotia spoke of his integrity and strength of character before launching into a host of finger-pointing. His onetime Liberal opposition, efforts in his own government, Ottawa bureaucrats, even the dead miners themselves—he said these were the ones responsible for the disaster at the Westray coal mine in Pictou, N.S., four years ago, which left 26 miners dead and helped drive his government into political oblivion. Blaming on before the inquiry, which he, as premier, had called into the disaster, he lashed out at the media and the inquiry itself for trying to link his recent promotion of the project to the tragedy. Then, when the proceedings broke for lunch, Cameron, now Canada's consul general in Boston, sprinted from a hallway, quickly boarding reporters with the words "what a bunch of fools," as he clambered into a waiting car.

Day 66 of the Westray inquiry has proven to provide a flash of insight. Instead, it was simply bizarre. "We've heard over and over again that safety starts at the top, the proper approach begins at the top, mine-sets begin at the top, quality begins at the top," inquiry lawyer John Merrick dryly pointed out to reporters after grilling Cameron. "We're seeing the top." It was not a pretty sight. Cameron's testimony was no different than that of any of the other bureaucrats and politicians who have sat in the witness chair and refused to shoulder any blame for the explosion that ripped through the Westray mine on May 9, 1992, eight months after it opened. But if Cameron felt like the accused, he had good reason.

As what Merrick called "the swirl of politics" cleared, the former premier's pivotal role in the Westray drama seemed unmistakable.

The testimony so far makes the disaster almost seem inevitable. Since the inquiry began last Nov. 6, outside experts and miners have told grim tales of safety violations, poor ventilation, high levels of methane gas and coal dust, and mine managers who intimidated staff and even tampered with safety equipment in an effort to pull more coal out of Pictou County's infamous coal seam. The testimony has been a blur of public detail: a senior supervisor said he had coal dust to wipe safety inspectors, a company geologist said Westray's crumbling, noisy underground conditions were so unstable that disaster was unavoidable, an electrical engineer testified that the mine manager ordered him not to install air-monitoring equipment in the area where the explosion eventually occurred.

Who should have been protecting the miners while their safety was being compromised? To that swirling question, the consistent answer from the periphery of miners' access to be: Anyone but me. Nova Scotia's chief mine inspector, Al McKenna, denied saying safety violations in the mine. He also maintained this had no responsibility for safety at



Cameron at the inquiry: 'The mine blew up because of what was going on in the mine at the time.'

Westray between his monthly inspections. Throughout his tenure as inspector, the province's former director of mine safety, Steve White, insisted inspectors had not overlooked dangerous problems in Westray. And when Patrick Phelan, executive director of minerals and energy for the province, took the stand, he defended the provincial natural resources department from any ill-considered pointing towards the governments in Ottawa and Halifax, which added up \$306 million in loans, loan guarantees and

subsidies to get the project started in the late 1980s. "Maybe if they hadn't loaned the money," he declared, "we wouldn't have had the project, and we wouldn't have been in there on May 9."

Politics, it has become clear, gave the project life. Earlier, Harry Rogers, a former deputy minister of the federal department of industry, science and technology, testified there was wide opposition within his department to federal financial support for the mine on economic grounds. But the supporters were overpowered by shrewd, aggressive lobbying efforts by three job-hungry Nova Scotia politicians of the day: then-premier John Buchanan, provincial industry minister Cameron and federal cabinet minister Brian MacKay, whose Central Nova constituency contained the proposed mine site.

Last week, the two finally took the witness stand in Stellarton, N.S., within sight of the Westray mine's mine. The performances were remarkably diverse, both in style and substance. MacKay dismissed allegations that the mine received federal loan guarantees and subsidies as a payoff for his having given up his seat. Tory said so that Brian Mulroney could run in a by-election in August, 1983, shortly after becoming federal Conservative leader. "This is a crock," he testified. "I never presented him. You don't pressure prime ministers."

MacKay was heisted singly as an "advocate" of the project, who felt it was good for the province and his constituency. The big champion of the mine, he said, was Cameron, the MLA from the area when Cunniff Inc. of Toronto was seeking funding for the project. MacKay told the inquiry his personal counterpart seemed to lose his objectivity towards the project, even though he never strayed over the bounds of appropriate political behavior. "He [Cameron] pursued it with considerable vigor," explained MacKay. "He wanted it very badly and he was impatient, very impatient."

Cameron himself, while scornful about the disaster, was clearly truly on the witness stand. He failed at Merrick for trying to imply he gave Cunniff a sweetheart loan package, and overcautiously insisted federal officials to come through with an \$80-million loan guarantee. He accused his Liberal political opponents of trying to "milk every ounce of political benefit they could from the death of 26 human beings," and called the deaths blasted against him. When asked whether he as premier was ultimately responsible for the catastrophe, he disagreed, saying he did not leave labor department officials were hiring to do their jobs. Instead, he pointed to the federal civil servants who scrutinized the project for more than a year before approving funding for the project in June, 1990. The delay, he argued, forced Westray to rush into production to satisfy its contract obligations to provide coal to Nova Scotia Power Corp., the provincial electrical utility that resulted in the company altering its plans and miners entering the poorly ventilated southwest section of the mine where it believed a spark from a piece of mining equipment ignited explosive levels of methane gas.

He was, though, past warning up. Ultimately, Cameron said, the

EMOTIONAL OUTBURSTS

Isabel Gillis rebored something unusual as the final member of Nova Scotia's inquest unexpectedly ended his testimony on May 24 at the inquiry into the May 9, 1992, Westray disaster. The widow of one of the 26 miners who died in the explosion now Claude White, the former director of mine safety, preparing to leave under escort through a back door. "He sat on the



Victim's widow Gillis: 'Don't be a coward.'

stand for three days and he defended his co-workers and his department conspiracy," says Gillis, a mother of three. "I thought, 'No—you're at least going to walk past me. Don't be a coward.' " Gillis followed White and comforted him with an image that has haunted her for four years—her husband, Miles, "reeling away from a backlot, knowing he wasn't going to get out of there." White said nothing, but a byproduct said that his eyes teared up before his lawyer ushered him out.

As that scene unfolded, the Australian among the families of Westray victims

swears. So far, the inquiry has heard more than three million words of testimony. But so one is sufficiently has accepted any blame for the disaster—in spite of complaints about hysterical mine management, dangerous working conditions and a tendency by government officials to, in the words of commissioner Peter Rochon, "follow 'a strategy of appeasement, not action' when it came to safety. 'I wasn't prepared for the level—the depth—of the incompetence and neglect,'" said Allen Martin, who lost his brother Glenn in the explosion.

For some, the strain has been too much.

Colleen Bell, whose brother-in-law, Lenny Bell, died in the explosion, testified with consternation to mine inspector John Smith, who denied earlier testimony that he once told a Westray miner he feared entering the mine so close to his retirement. Bell later slipped up beside Smith to say she hoped he would "not in fact." Bernath said "he was up to his knees about his hearing process itself. For one thing, Richard had no recollection to assign blame for the disaster. And Westray remains an ill the more asked that, to date, no one has been called to account for the safety lapses.

Last week, most family members walked out in disgust at former premier and Westray prosecutor Donald Cameron delivered an hour-long monologue in which he attacked the commission, the media, federal bureaucrats and the miners themselves—while absolving himself of any responsibility. But despite the frustrations, family members remain resolute in their quest for justice. "That again, my son Richard has no families apart," Bell says tearfully, "but it also brought a family together."

MELODY MATHIAS in Stellarton

CANADA

blame lay with the men working the mine—a reference to earlier testimony from miners who said that some of their co-workers tampered with methane monitors and failed to cover an opening in a wall designed to prevent methane from leaking from an abandoned section of the mine. "Who was it who changed that [methane] meter? Was it the inspector? Was it the mine regulator? Was it the politician who was greasing the reset button?" he asked. "The bottom line is that the mine blew up that morning because of what was going on in there at that time."

Many members of the dead miners had already storied out of the mining news when Cameron blamed their dead brothers, sons and husbands for their own deaths. After 60 days of traumatic testimony, his comments were too much for some. "I think God my children are too young to be in the papers, because my husband didn't cause that explosion, neither did his co-workers," Geneva Huttons, whose husband, John, died in the tragedy, said fighting back tears.

But there were other critics still in court. Buchanan, an attorney from Sydney, was premier from 1970 through 1980 before a series of embarrassing scandals forced him to resign and take a Senate seat provided by Mulroney. He never did see eye-to-eye with Cameron, a stern former dairy farmer, who took over as premier in 1991, holding the post until his election defeat in 1993. Last week, the contrast became even clearer. "Responsibility within depart-



MacKay dismissing allegations of payoffs

Cameron 'wanted it very badly and he was very impatient'

and some Carragh officials take the stand—has made unpleasantly clear, it is that, until his tragic conclusion, the Westray project was a perfect example of how the politics of job creation operate in Nova Scotia. Once, the politicians kept up to take credit for it. Now, nobody wants to take the blame.

JOHN DE MONTI is in Halifax.

ments goes up the line," Buchanan testified, relating Cameron's view on how the chain of command operates. "The ultimate responsibility for government is the premier."

More damaging, though, were hints that Cameron may have overstepped his bounds as provincial industry minister during negotiations with Carragh over the financing package for the mine. Buchanan said the Nova Scotia cabinet had not approved a \$15-million loan to Carragh when Cameron signed a letter stating it would be granted in September, 1988. He said Cameron again acted without cabinet approval when he signed a letter, against staff advice, committing the province to buy up to 200,000 tons of Westray coal annually if the company could not sell its shares.

For his part, Cameron had testified that he had cabinet approval in both cases—and that he had assurances from Carragh that the government would never be asked to buy the coal. Again, Buchanan had a different opinion. "It would be a strange government," he said, "who would sign something and not intend to honor it." If there is one thing the inquiry—which resumes on June 10 when more government witnesses

Anthony Wilson-Smith



Backstage Ottawa

Liberals to watch for

One of the stories that Jean Chrétien likes most to tell concerns the time when, as a member of Pierre Trudeau's cabinet, he went for close to a year without having a private conversation with the prime minister. Finally, Trudeau called and asked if anything was wrong since it had been so long since they had met. To the contrary, Chrétien replied, "you told everyone not to call you unless they were having problems, and I'm not, so I see no reason to disturb you."

In the life of most democratically elected governments, there are two phases that especially stand out: the period after an election, in which they try to keep the promises they made in order to win, and the period immediately before the next election, when they decide what promises to make in order to win again. For a prime minister like Chrétien, who greets his cabinet members a free hand, his choices for various portfolios largely determine what, and how much, will be achieved. The first part of the Liberals' mandate ended last February, when Chrétien shuffled his cabinet. Until then, there were only a few ministers who, far better and sometimes far worse, put a real stamp on their portfolios. Among them, Finance Minister Paul Martin, whose client makes him effectively deputy prime minister, Lloyd Axworthy, whose efforts as human resources minister to reform social programs were deeply ambitious and largely incomplete, Brian Topp, who became Canada's first fisheries minister after saving Canada's cod from Spanish trawlers, and Justice Minister Allan Rock, whose gun-control legislation gave the party's remaining left wing one of its few things to cheer about. To a first-time realist, Roy MacLaren, an international trade minister led government efforts to make Canada one of the world's great free-trading nations, and Doug Young in Transport showed how a minister can, when instructed, quickly and efficiently demagogue and dominate his department he presides over.

Now, with a new cabinet and the House

of Commons recessing for the summer in several weeks, it is becoming clearer who will be the main players, and what will be the issues, that dominate the rest of the mandate. MacLaren and Topp are gone from the cabinet. Martin remains a force: the surest sign of his power is the restructuring of cabinet from those Liberals who worked for Chrétien and those who supported Martin in the 1990 leadership campaign. Young, who last week introduced wide-ranging reforms to unemployment insurance that follow Axworthy's efforts, would be a leading choice to replace Martin if the third of Finance, Axworthy, were moving to Foreign.

Affairs, has restored the focus on human rights issues that his predecessor, André Ouellet, abandoned. One measure of that is that Raymond Chan, the very effective junior minister of state for the Asia-Pacific region, was rewarded by being promoted to the department as a human rights dove under Ouellet. By contrast with Axworthy, he's seen as a pro-trade hawk.

But the most interesting figure for those who will care about the role of the federal government is someone who has been quietly gaining strength since 1993, Treasury Board President Marcel Massé, the former head of the Privy Council, probably knows more about the mechanics of government than anyone else in Canada partly by circumstance, partly by design, the Chrétien government will ultimately be judged largely by its efforts in three areas: national unity, debt reduction, and the restructuring of government and the program it offers. Massé is intimately involved with formulating policy in all those areas. Those issues, in turn, will drive Chrétien's thinking when he meets with the premiers on June 26 and 27 in Ottawa to discuss the future of the federation. Massé, with his precise manner of speech, clipped mustache, round face, ironic manner and owlish expression, is a long model for John Le Carré's fictional spy-master George Smiley. And, like Smiley's, his behind-the-scenes influence is enormous.

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There's Just a Man Can Get

Canada NOTES

B.C. HOSTAGE DRAAMA

Two days after being taken hostage by armed robbers in her rural home near Cranbrook, B.C., 34-year-old Leanne Campbell, who is nine months pregnant, was allowed to depart and was replaced by another woman. The hours later, the second woman, who has not been identified, left the house and the hostage-takers surrendered. Police arrested Corey Hicks Lindsay, 21, and Melissa Schwaninger, 19, both of Courtenay, who are wanted for robbery and violent crimes in Alberta.

ENDING A HEALTH WAR

A three-month standoff between the federal government and Alberta ended with the province agreeing to prohibit private health-care clinics from extra-billing patients. Since October, Alberta has paid about \$3.6 billion in fees imposed by Ottawa, which said that the extra billing violated the Canada Health Act.

A NEW AIRBUS GAMBIT

RCMP commissioner Philip Murray said that, in order to testify in a war crime tribunal, Brian Mulroney's \$50-million libel suit against Ottawa, he and other members of the force will invoke the Canada Evidence Act and refuse to reveal information that could jeopardize an ongoing RCMP investigation into alleged kickbacks from the 1980 sale of Airbus jets to Air Canada. Luc Lavigne, a spokesman for Mulroney, accused the RCMP of getting soft "about the law."

SOMALIA SENTENCING

The Court Martial Appeal Court sentenced Maj. Tony Seward, who told his troops in Somalia that they could abuse prisoners, to three months in jail. Seward will also be dismissed as disgrace from the army. The judge said a 1994 court martial, which found Seward guilty of negligence in performance of duty and gave him a severe reprimand, had been too lenient.

LIMITING THE BLAME

Paul Lamek, a lawyer for the tainted-blood inquiry headed by Justice Horace Newby, filed in Federal Court a preliminary list of 17 individuals whose actions may be considered blameworthy. Among those named was Dr. George Weber, now head of the international Red Cross in Geneva. Lamek also filed a second list of 47 names, including 34 former health ministers, who will not be specifically censured by Newby.



Greenews who deserted: victims of stowaways thrown overboard

Death on the high seas

For six days, the Taiwanese container ship Maersk Duhai sat in the middle of Halifax harbor, the object of allegations by eight deserting Philippine crewmen that its officers had forced three Romanian stowaways overboard on the high seas. Finally after the ship refused to obey an order to dock—and after earlier statements by Canadian authorities that Canada had no jurisdiction in the case—15 armed RCMP officers boarded it and

arrested its six remaining Taiwanese officers. One officer, the radio operator, had already jumped overboard and had been taken into custody. Police then charged the officers with first-degree murder on behalf of Romania, acting on testimony from the deserting crewmen and a fourth Romanian stowaway whom they sheltered until the ship's arrival in Halifax. After moving from the ship what they described as evidence that the stowaways had been on board, police departed the Duhai to leave port on June 1.

Government spokesmen said the officers could be extradited to Romania if an RCMP investigation finds evidence that they should be brought to trial. The Taiwanese government, meanwhile, denounced the arrests, saying that, under the UN maritime treaty, Taiwan should be dealing with the case. "As the flag state of the ship, we have exclusive jurisdiction over crimes committed in international waters," said Leonard Chiu, Taiwan's economic officer in Ottawa. Taiwanese officials also said that they had met with the ship's officers, who denied any wrongdoing.

THE SECURITY SERVICE

Is Russia spying?

A Cold War-like chill intensified—seven years after the fall of the Iron Curtain—with the announcement by the Canadian Security Intelligence Service that two alleged Russian spies had been arrested in Toronto. CSIS says that two Russians, calling themselves Ivan and Laura Lambert, had entered Canada after 1990 and, using the names of long-dead Canadian citizens to create false identities, engaged in "espionage activities." As CSIS moved to deport the couple, Federal Court of Canada Justice Michael Robson ordered an open court hearing to examine the evidence against them. In another case, police sources said that two Russian visitors to Canada disrupted the May 24 bombing of a Russian embassy's annex in Vaughan, just north of Toronto, may be members of Russia's intelligence service. The two were arrested two days later near Montreal's Mirabel airport, where they were to catch a flight to Moscow.

Power to the provinces

Federal Human Resources Minister Doug Young tabled a plan in the House of Commons that will redirect nearly \$2 billion in unemployment premiums collected by Ottawa to the provinces to help them finance what he called "active employment measures" such as wage subsidies, income supplements and job counselling. But the program has as yet failed to reach to do with individual concerns as economic considerations. Liberals said that the plan showed that the federal government was deferring on a promise that Prime Minister Jean Chretien made during last fall's referendum campaign on Quebec sovereignty to give the province greater control over manpower training. As Inter-governmental Affairs Minister Stéphane Durrant looked on, Young told reporters that the plan represents "a new page in the evolution of the Canadian federation." Quebec Premier Lucien Bouchard gave the effort a cautious endorsement, calling it a "positive signal." But Bouchard repeated the notion that Ottawa was moving towards a more flexible form of federalism.



Don, Young (right): national unity subplot

The Harris Revolution

BY MARY JANGHAN

On any day in the roller-coaster life of Ontario's Tory government, there is a daunting list of deeds. Within scant hours last week, as Toronto councillors lusted 11,600 positions opposing the policy to the legislature at Queen's Park, the government confirmed its resolve to modify seat controls. It appointed a group to overhaul the property tax system, then, it tabled "business plans" for every ministry, including proposals to revamp the so-called "broken" education system and study privatization of the liquor board. For many voters, the pace is so fast that it makes nostalgia for former Progressive Conservative premier William Davis, who governed for 14 years, until 1985, with the only halfhearted notion that "Blond works," Premier Davis taught me that Progressive Conservatives never put off until tomorrow what they can put off today, except former state liquor depots. But during relatively boring times, he told the history of doing things gradually. On today's fiscal issues, there is not the same luxury. It is a different time.

Such understatement would embarrass many Ontario voters. As Premier Mike Harris prepares to celebrate the

10th anniversary of his Common Sense Revolution, he has proposed \$8 billion in spending cuts, dipping deeply into transfers to hospitals, school boards and municipalities and cutting 30,000 civil servants from the government payroll. He has passed social assistance payments by affidavit, and promised worker welfare this fall. Although the province's deficit was hovering towards \$194 billion when he took office, he has promised to balance the budget in the 2000-2001 fiscal year. And last month, in the staunch relief of taxpayers, he cut the provincial income tax rate by 30 per cent over three years. "Government's role is not to see how many people we can employ," Harris told Maclean's last week, "it is to deliver the services that the public wants government to deliver with the best quality and the best price. [What is most important] is that change in attitude" (page 36).

Such change has come so fast and so implacably, however, that it has even disconcerted many government supporters. Politicians are divided on the depth of that effect. Two months ago, Angus Reid Group put the Tories in first place with 51 per cent of decided voters—while Environics Research Group Ltd. placed them five percentage points behind the opposition Liberals, who have not yet chosen a new leader. Both companies agree that most Ontarians approve of the Conservatives' desire to cut the deficit, streamline government



The Ontario Tories are changing the very notion of government

first anniversary of his landslide election victory on June 8, he can say with certainty that times are very, very different in his once-mild province. Since he ousted NDP Premier Bob Rae, Harris has undertaken the most radical alteration of the 1990s in the shape of traditional, postwar Canadian governments. His efforts in top of government, to deliver government's very presence, have already become that centerpiece in a divisive, cross-Canada debate over how much anyone can expect in straitened times. And his almost drive to sharpen Ontario's competitive edge has put pressure on his fellow premiers and Ottawa to lower taxes, defuse their essential missions and curb regulations. Indeed, as he watches Alberta Premier Ralph Klein's transfer to the polarizing of radical-right populists, Harris has, in fact, changed the very concept of what government does

and promote economic growth. But both detect mounting anxiety that the cuts have now hit the base, affecting the quality of valued services such as health and education. Many Ontarians wonder whether it is possible to make enormous cuts in a \$54-billion budget without equally enormous mistakes. Controversy rages over everything from hospital closures to the end of junior kindergarten. On many issues, the province is polarizing between rich and poor, men and women, old and young, business and labor. "He has done substantive and profound damage to the social safety net," argues Lynne Fagan, executive director of the National Anti-Poverty Organization. "Considers former Tory campaign chairman, Tom Lorne" "Average people live, made adjustments in their own lives. The only major player who

had not caught on to the fact that the world had changed was government."

Such debates may be familiar here in most provinces, where austerity has become a way of life. But they are shockingly new and far more brutal in Canada's wealthiest and most populous province. And they carry profound implications for the very structure of the postwar nation that is, as Ontario cuts its own spending: it is also taking dead aim at those lavish federal-provincial programs that transfer its tax dollars to poorer provinces. Because Ontario waited so long to tackle its \$195-billion debt, it must now devote almost one-fifth of its revenues to interest payments. To attract new investment to pay those bills, the Ontario Tories are taking an unusually hard-nosed approach to their economic competitors, including the other provinces. Harris says that when Ontario members last month, it was a "little shot over the bow" of premiers such as New Brunswick's Frank McKenna, who have used such measures to attract business. At the first Ministers' meeting so far June 20-21, Harris will warn that the days of increasing transfers from rich provinces to poorer provinces are over. He will demand that Ottawa spend Ontario's \$4-billion annual surplus on employment insurance premiums on local training—or cut the premiums. "We are no longer the first Ontario that you can raid and take things," he warns.

The 51-year-old premier delivers such announcements with the low-key ability of a small-city politician—which, with his roots in the resource centre of North Bay, is exactly what he was. But it is impossible to miss the almost resolute behind the smile. After 12 months of near-constant attacks, unopposed threats and planning plans, he is chucking the style, but not an iota of the content, of his approach. Harris's has learned that he will shuffle his cabinet this summer, replacing fledgling ministers with skilled veterans in such major portfolios as health and education. He will generate bureaucrats who are not afraid to tell ministers when they are wrong. Then, he will direct those ministers and bureaucrats to reach out to groups such as school boards that are affected by the cuts. Senior Tories reason that those groups now understand that presents will not stop change. As a result, after 12 months of often-unending resistance, they might now work with the government to ensure that spending cuts are as painless and effective as possible. "In the end, it will be good that you kept your promises," says one Conservative insider. "But it will also be important that you discharged your mandate, and not make divisions and fragmentation in the province. When you make cuts, you shouldn't look like you are enjoying it."

Harris at Queen's Park: "Government's role is not to see how many people we can employ"

The Res. Jane Rose worked at a small neighborhood centre in a low-income area of North Bay until December, when provincial funding stopped. Overwhelmed, she lost her job. And the community lost a house that was parenting and

child pregnant and golden fountain, triumphant people through the gates. How remember clients like the 16, elderly men who could not get to his doctor and the security disabled women who did not understand how to prepare healthy meals for her children. People like that may still find help, she says, but it will be rushed and probably inadequate because fewer workers are carrying greater workloads. How has found just two work at a local United Church—but she cannot find a full-time job. She remembers the help of a friend who is a skilled child-care worker and who is now clearing yards. Last month, when that friend was sweeping the parking lot at the correctional services ministry, some of her former colleagues strafed just—to be before endorsement. "It just stayed with me that here in this incredible woman whose talents are being wasted," says Howe. "People feel very isolated, very powerless. It just takes to protest. It just takes to talk about the impact. It is rough."

The economic gloom has been tough in auto-stead Ontario. The former powerhouse of Confederation has deficits, almost consistently, throughout the 1980s and 1990s in the factories here that the economy would eventually grow faster than the debt. The GDP alone was up more than \$45 billion in unpaid bills during the five-year tenure. When Finance Minister Ernie Eves took over last summer, he went on the small-town highway circuit with a message that never failed to draw gasps from his audience: the province was spending \$1 million more every



year plant on the outskirts of Toronto, a picture-perfect community on the shore of Lake Ontario, 155 km east of Toronto. Two months ago, Gordie launched a women's group, arguing that she was eligible for a full-time job. Since then, the firm has stopped asking her to work at 3:00-11:30 p.m. shift. Now, she worries how she will afford to pay her \$610 monthly rent with her 1957 vintage coupe. What happens if she loses her job? What happens if she ends up in a work-for-welfare

program? "You get this little bit of money which is not enough to begin with and then you are forced to wait to see what will probably be done," she says. "I feel like my life is in a tight spot. The Toronto area has been because they are poor. They don't show very much sympathy."

Such arguments have ignited the province, cracking its social peace. While most Ontario now support the concept of welfare, they are deeply divided over the government's overall performance, especially its approach to social programs. In an April poll, Environics noted that government support is strongest among men, those who earn more than \$50,000 per year, and those who are 55 and older. Poorer people, younger people and women tend to favor the opposition Liberals. The split was obvious when labor leaders staged massive protests last winter, including a day-long strike in London and a two-day rally of 100,000 workers in Hamilton. Another protest is slated for



Strimmer in Cobourg. "I feel like my life is on a knife edge."

October in Ontario.

Such divisions have ensured that many Ontarians are uneasy about going, rather than tax. When it is implemented in 1999, the provincial tax rate will be 40.5 per cent of basic federal tax—the lowest in Canada. "Who wouldn't like to have a tax cut?" asks Ontario landscape architect Sheila Murray. "But what really concerns me is knowing that what has been cut at great expense to those who can't afford it."

Harris took a deliberate gamble when he appointed rookies to senior cabinet posts and then sent forces out to change the world—his. The results were decidedly mixed. As he calculated, the rookies had no political base, so they did not become bogged down in endless debates. They dismantled employment equity legislation that imposed heavy targets for women and as-

an impressioned Mary Claire Leman, 12. "Education should not be cut."

As he planted flowers in a local park, Andrew (ring, 21), a political science student at Brock University and a summer park employee, said he doubts that the Tories' planned tax cut will boost the area's economy. In fact, he does not believe he will ever find a career in his home town. Others, though, remain hopeful. "With low interest rates and a tax cut," said Wilbert van Sam, a "people's party" start-up group, "we will get jobs." If that is the case, Harris just might stay at the top of the talk-shows.

TOM FENNEL, in St. Catharines

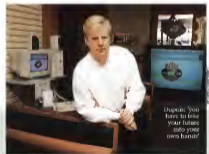
His efforts have become the centrepiece in a divisive debate

more than it collected. There had been 65 separate tax increases, including 11 hikes to personal income tax, since 1985. While every other province, with the exception of Quebec, had backed its fiscal problems, Ontario was now going almost \$1 billion every year in income tax—far more than any other province on every level of education. And those interest charges were rising inexorably.

That message struck a chord with taxpayers. Pollsters have noted a profound erosion in the values of Ontarians during the 1990s: there is less reliance on government, coupled with more self-reliance. When voters look at governments, they now apply the same criteria as they would for a company: do they live up to their promises? Do they expect governments to behave like themselves, saving in hard times and spending in good times. As a result, as Eves set out to cut the deficit, he had the majority of voters behind him. "People are becoming more confident in themselves, saying that they think maybe the role of government should be reduced as their lives," says Environics vice-president Jane Armstrong. "In

tough economic times, this sense of need to take individual responsibility has turned into a survivalist attitude: the notion that it is a battle out there and everybody needs to be tough." But then the changes appeared to go too far, too fast. When people like Strimmer talk, initially about how hard it is "to find any sense of hope," they now evoke an uneasy disgust that is shared among many voters. According to Environics, half the population now believes that the cuts are too deep—and they fear for the quality of their life. "It looks like a fiscal hammer," says economist Judith Maslow, president of Canadian Policy Research Network Inc., which probes the social dimensions of economic change. "It is very difficult to get a sense of where they would draw the line with respect to compassion or investment in future generations."

Patricia Gordie, 31, has been on welfare, off and on, for almost six years, ever since her daughter Chloe celebrated her first birthday. Since late 1994, she has worked sporadically at a part-time job in an auto



Dupuis: You have to take your future into your own hands.

KEEPING THE TORY FAITH

It has become such a common experience around St. Catharines that locals simply refer to it as being "reduced." \$414, Alan Dupuis, formerly a regional manager with Andersen Weiss, was not expecting it to happen to him when his firm was taken over and his job was cut last January. Since the recession of the early 1990s, so many people have been laid off that the un-

employment rate in the city of 130,000 in the Niagara Peninsula topped 15 per cent last year—one of the highest rates in the country. While the rate has once dropped to about 11 per cent, high-paying manufacturing jobs continue to disappear. In January, Dupuis lost his job. He is now looking for work in the area. He has a job interview with the Hava Java Internet Café on the city's main street last month. It is too early to tell if he

will succeed, but, says Dupuis, "you have to take your future in your own hands." St. Catharines has known better times. Incorporated in 1845, it prospered as a major flour-milling and shipbuilding centre, and later thrived as a retail live-cattle town. But the city has not fully recovered from the recession. General Motors, its main employer, continues to downsize, and many other com-

panies have left or shut down. Their departure has scarred the face of downtown St. Paul Street, where dozens of stores are boarded up. Jeweller Sam Winters, who has been in business on the street for 45 years, said he senses apprehension in the air. "No one seems to know," he explained, "what tomorrow will bring." Whether Premier Mike Harris' controversial economic policies—which include deep cuts in transfers to municipalities—can restore the city's fortunes is

debated almost daily on Tim Detmer's opening show on G10 CFTB radio. These days, most callers appear to back the premier. "Mike Harris can walk on water right now," said Dennis. "They believe the town machine is going to work." But Mayor Alan Kinison is not convinced. While he said the transfer reductions have forced municipalities to cut waste, he fears they may eventually shred the social safety net. The cuts also threaten Grade 8 students at Grey Oaks, a private school, in a course comparing the political systems of Brazil and Canada, the students concluded that the destruction of the rain forests was Brazil's biggest social problem, while learning cuts to the education system were Ontario's. "We want music and art when we get to high school," said

an impressioned Mary Claire Leman, 12. "Education should not be cut." As he planted flowers in a local park, Andrew (ring, 21), a political science student at Brock University and a summer park employee, said he doubts that the Tories' planned tax cut will boost the area's economy. In fact, he does not believe he will ever find a career in his home town. Others, though, remain hopeful. "With low interest rates and a tax cut," said Wilbert van Sam, a "people's party" start-up group, "we will get jobs." If that is the case, Harris just might stay at the top of the talk-shows.

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troubles on private firms. They reported labor laws that hampered the use of replacement workers in strikes. They cut with little apparent consequence.

But they also lacked the skills to evaluate advice—and to steer controversial legislation with minimum disruption through the legislature. Social Services Minister David Tsubouchi advised welfare recipients to purchase denied lines of train. Education Minister John Snodgrass told his lieutenants to invest a crisis—so that he could make changes under the guise of solving it. In what Harris considers his biggest mistake, the government passed through omnibus legislation that made massive changes in the health-care system and the operation of cities. Instead, he told Maclean's that the bill should have been split into smaller pieces, and pushed with less haste. "It should have been better managed and better understood," he said.

Such mistakes may have from public necessity—the economy flourishes and employment grows. The premier has focused his attention on an all-out effort to attract new investment. And although he has just unveiled cabinet members on national unity, his meeting last week with Quebec Premier Lucien Bouchard was devoted to economic concerns such as their mutual quest to force Ottawa to cut CII programs.

Such an openly pro-business attitude has its dangers. There are times when it seems that the Ontario bourgeoisie that all companies have the right to pay of shareholders, non-voting-payee career states. Last month, Consumer Relations Minister Norman Sterling abruptly allowed travel and real estate agents, car dealers and monetary operators to advise

Many are uneasy about their tax cut

minor government-regulated. As the Consumers Association of Canada warned, that course can be risky: self-regulating groups eventually set with high prices and stiff barriers to the entry of competitors. Said its regulatory spokesman, Robert Kerrin: "It is impossible for the best-intentioned box to have the point of view of a chicken."

But there are times that business has what it sees. Charles Swell, president of the Canadian Federation of Independent Business, recalls the blank stares she used to get when she talked to members of the former NDP government. "Their reality was a Big Union reality; they understood a General Motors workplace but they saw didn't understand a lean-person workplace," she says. In contrast, the Harris government is winning back employer approval for health care. "There is no question that this is a more welcoming climate for business," she says. "That boosts confidence—and that translates into hiring and expanding."

Perhaps no policy has triggered laughter, more conflicting opinions than the tax cut. Carl Sonnsen, president of the economic forecasting firm International Ltd., says the government is taking \$2 billion more out of the economy through restraint than it is adding through tax cuts. "Restraint slows the econo-

michecheking fading jobs, small tax base and threatened grants



FEELING THE PINCH IN THE NICKEL BELT

Mining has always been part of Nick Tschekichin's life. In the 1960s, as a teenager in Sudbury, he watched mine angst as first someone who would represent the 25,000 people working in the region's rich nickel mines. At 18, he went underground and soon had enough money to many his childhood sweetheart. But it is unlikely that Tschekichin's children will follow him down the shafts. The use of robot scoops and blasting machines has left about 8,000 people working for the mining companies. Their number could drop further because of a massive nickel discovery last year at Norway's Bay in Labrador. "We have to go thousands of feet underground," said Tschekichin, now a union representative. "But at Norway, it's right at the surface."

From his downtown office overlooking the Northern Ontario city of 50,000 people, Mayor James Gordon has a clear view of the giant smelterstack towering above the Inco Ltd. smelter. But it is Premier Mike Harris, not Norway's Bay, that worries the mayor. Gordon was a Tory MPP in Premier William Davis's government and, due to his roots, he has raised taxes for the past five years. Sudbury is currently represented by Liberal Rick Barilacci. Harris, however, may force his hand. Because northern towns have small tax bases, they have been given special municipal grants. But Gordon expects the grants to disappear as Harris slashes spending. To compensate, Gordon says he would have to

raise taxes by as much as 25 per cent. "The effects of the cuts," said Gordon, "would be like driving a Mack truck through a house."

Government cost-cutting would also have a deeper impact on Sudbury than many other communities. As Inco and Falconbridge Ltd., the city's two major mining firms, scaled down operations over the past 20 years, both Ottawa and Queen's Park compensated by transferring hundreds of government jobs to the city. Incoming civil service cuts now threaten many of those positions. But the mayor is hoping the Information Age will spur another round of growth. To help, he wants to install fiberoptic cables throughout Sudbury—enabling it to attract high-tech companies. "We caught the government wave," said Gordon. "Now we need another wave, so we're going to wire the city."

But there is a rising sense of anger as good jobs disappear—and young people move away. Stephanie Duchene, 21, a Laurentian University student, says that she expects to join the exodus. "There are a lot fewer full-time jobs around," she says. Kathleen Crochton, founder of the Catholic Charities-Senior Kitchen, has also noticed the rising unemployment. "There are more family problems now when the main provider loses his job," said Crochton, as she prepared a meal for 450 needy people. Seen from that vantage point, the new wave that Gordon hopes for seems far away.

TOM FENNELLS in Sudbury

We'll never

appreciate the taste of a

warm beer,

anymore than we'd enjoy being chased by

angry bulls

down narrow streets.

We'll never smash our dishes after a sumptuous dinner.

And we'll probably never

excel at yodelling. On the other hand, Europeans may never know

the thrill of driving the Eagle Vision TSi.

And that's a shame, because

Vision boasts a 24-valve

214 hp engine, touring

suspension and a

braking system that

stops on a dime.

Better still, you don't

need a 50-to bank

account to own one.



EAGLE VISION

Drive on the right side of the road.



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my drive," he says. "I am not going to give much credit to this 'investor confidence' thing." In contrast, government economist Peter Sgaro maintains that previous Ontario job increases killed twice the number of jobs that standard economic models predicted. "Consequently they are likely to underestimate the positive effects of an income tax cut," he wrote in a recent issue of the *Canadian Tax Journal*. Sgaro himself has no doubts. "Economists can't punch in a 'confidence factor' into their computer. Yet most business decisions, even large ones, are ultimately made right here." And he seems to be on the side of the stomach.

'CHANGING ATTITUDES'

Prescar Mide wrote reflected on his government's first year in power last week with Senior Editor Andrew Phillips and Contributing Editor Mary Janson. Excerpts

Maclean's: What's the most important thing you've accomplished so far?

Harris: The changing attitudes about what government should do and not do. Government's role is not to see how many people we can employ. It is to deliver the services that the public wants government to deliver and to do so with the best quality, best price, as efficiently and as effectively as we can. It is not

Matthew Kinastle, 28, works seven days a week, from 6 a.m. until midnight, buying old T-shirts, houses, restoring and then reselling them. It is a tough job, combining hard physical labor with self-inflicting financial risk. A sudden surge in interest rates, a miscalculation in a plumbing bid, and his profits could evaporate. But Kinastle says that if he doesn't work hard and take chances, there will be no money for him or his wife, Jennifer. "I can't think there is a greater job," he says. "I have a retirement plan by the time I reach 60," he says. "I hear the life selling and screaming about work-for-freebie. Well, I work every day—and I don't get anything for free. I just have a feeling that there are a lot of people here who are my age, who work pretty hard for a living and who don't get to take time a lot of it. I think that's a shame. I think that the left will be a victim here of a lot of

The battle over social spending cuts has been covered in detail in our December debate on the loss of specific programs. Politician John Manly, senior vice-president of the Angus Reid Group in Toronto, says many Ontarians have their very concept of Canada on the continued existence of a strong network of social programs.

But as the religious approaches, as Kissella so bitterly notes, there is a new reality: social programs such as old-age pensions are shrinking because there is not enough money to pay for them. An identity crisis is clearly on the horizon. "Harris is caught in this question: what is the role and responsibility of institutions in our society?" says Wright. "People are faced with a whole series of trade-offs: tough decisions like health care versus day care. What people are really looking for is employment stability and income. Harris has to lay out a platform on how we work with these new realities, how we define the new value systems and the new identity, and what are our expectations for the future."

Maclean's: But you haven't shied away from conflict.

Harris: Yeah, but the things we know quickly on, we consulted for four or five

Maclean's: Does it bother you that Ontario is portrayed as a third-edged place that is as much on the coast?

He says it's unfair and I think it is wrong, but it seems to be the way that our opponents have chosen to oppose us. They know the public wants changes, so the way to attack Hanna is to impugn motives—portray him as cruel or heartless. So I should use this in the Quebec referendum, even though our welfare state is higher than theirs. They should say we're giving \$500 per cent more dollars to an old man than they do, excluding the child tax credit. They should be so lucky. The other motive [we are accused of being] is that we are the big business and the wealthy. They are fine; they don't need our help. Our goal is to have smaller business become bigger. Our goal is to move lower-class into middle-class. It is to increase the wealth of the average Canadian.

Maclean's Another criticism is that you are appealing to people's desire to have a few more dollars in their pockets and to heck with the rest of the population.

Haris: Our whole belief is that Ontario residents making their own spending, saving and investment decisions will create more jobs than government taking the money and trying to spend it on your behalf. There are a couple of things that don't get talked about a lot. One is the work ethic. We clearly are trying to change attitudes. We believe that dependency on the state has just gone a little too far, and a lot of our policies are aimed at restoring what we think is the right balance.

That is a tall order: define the role of government in a 21st-century Ontario. So, according to the Hines government, must proceed with great care, listening to the views of the cities and school boards and the business community, and redefining their roles. If we can rebuild the social space, if we can diminish the jarring sense that too much is changing, too fast and if the economy stays strong, the government could ease the rewards at the polls. "Our goal is to increase the wealth of the average Ontario family," Harris says. And he moves into his second year, he must now figure out how to minimize the pain and emphasize the pleasures of that quest.



13. We believe that
depending on the state,
it's gone a little too far.

Maclean's: What have you learned about

Haves. It is a partnership that moves faster or slower depending upon the agreement or the working relationship with your partners. It isn't good enough to have the right answer, even if it is right. You have to have your partners, those who have an understanding of working in the same direction—that together you can accomplish a lot. When there is conflict and confrontation, it is a lot slower and a lot more difficult.

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Haris: Our whole belief is that Ontario residents making their own spending, saving and investment decisions will create more jobs than government taking the money and trying to spend it on your behalf. There are a couple of things that don't get talked about a lot. One is the work ethic. We clearly are trying to change attitudes. We believe that dependency on the state has just gone a little too far, and a lot of our policies are aimed at restoring what we think is the right balance.

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Wallet.
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* Access will contain the model

Trace it onto the paper.



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Israel turns to the right

It was well after midnight, long after polling stations had closed and the last orange embers of Israel's brutal election-day sun had faded into the Mediterranean Sea—and still Israeli did not know which way lay victory. All night, people had trooped by the spot where Prime Minister Yitzhak Rabin was shot by a right-wing Jewish assassin last November, parents tugging their children along, couples whispering away tears with the backs of their hands. Tel Aviv's version of the grassy land is an ugly concrete desecration leading to a parking lot, just steps from a notorious downtown boulevard. But seven months after Rabin's killing, mourners keep the grounds where he fell spruced up with flowers and candles, and graffiti cover the nearby concrete tributes to the Israeli leader who made peace with the Palestinians enemy. "What kind of country have we become where we must protect ourselves from other Jews?" asked Yutim Shah, standing over the shrine. "I used to believe we were a chosen people, one big family that could share the world a better way to live." But now, said the young man, a tear carving a path down his cheek, "we are a country just like the rest—divided, suspicious, hostile to people of our kind and hate."

It has been a brutal last few months in this battered, hot-tempered land, a time of assassination, suicide bus bombings and yet another war in the north in Lebanon. But nothing exposed Israel's fracturing soul more than the non-perfect split in last week's elections, the first to include a direct, presidential-style vote for prime minister. Rabin's successor, 57-year-old Benjamin Peres, had pleaded for a mandate to conclude a final peace deal with Arabs and Palestinians, to turn the shaky Oslo accords of 1993 into a historical fact. But even as Shah was mourning Rabin in the early morning hours, the vote count was nudging opposition Likud party

leader Barak (left) Netanyahu towards power. Netanyahu's right-wing followers have martyrs and statues of their own—the intersection where an Islamic suicide bomber killed 13 Israelis in March is just a few blocks from the Rabin market. Moslems' cars and candles burn for the victims at that spot, too. It was not only about the peace deal, the cold fear that Palestinian self-rule means only more dead Israelis, which Netanyahu played to throughout the campaign. "The security of our children is in the hands of Arabid," he warned Israelis over and over, splitting set the Palestinian leader Yasser Arafat's curse with a contemptuous Israeli still share. "What peace?" he asked, his handsome face crinkled with disdain. The 46-year-old Netanyahu raised the spectre of an aging Peres too lost on leaving his mark in history that he would trade away Israel's sacred, strategic lands for mere peace as pa-

Netanyahu's narrow win reveals a society fractured by peace

With his wife Sarah it was not a vote of affection



ON ASSIGNMENT
BRUCE WALLACE
IN TEL AVIV

of Jerusalem, the capital and spiritual centre of the Jewish world. Peres scoffed at the suggestions. But in the end, a fractional majority of Israelis agreed with Netanyahu. By a more 30,407-vote margin—less than one per cent—they denounced, if not an end to the peace process, at least that it be slowed down a bit.

It was just a vote of affection, not in Netanyahu's favour as a leader. His Tel Aviv battleground headquarters may have rocked with chants of "Bibi is the King of Israel" on election night, but many Israelis distrust him as pithy, shallow, inexperienced and too much a self-promoter—and plenty of those are in his own party. "Imagine how big the right's victory would have been if they had a leader that people liked," noted Peres's friend and biographer Matti Golan sarcastically. Even the Orthodox Jewish community, whose leading rabbis offered Netanyahu a late-in-the-campaign endorsement, wag fingers at his knee-baited defeat. His style (it includes three marriages and one public confession of adultery). But Labour could not make character count. The Peres peace plan was the only issue in this campaign, and Netanyahu was the proxy for stopping it in his tracks.

"The choice is the return of the intifada or continuing with peace," a poster looking Peres looked during the only televised debate between the two leaders, warning of a return to the days when rock-throwing Palestinian youths made the occupied territories of the West Bank and Gaza Strip all but ungovernable. Certainly some Palestinians were loosening up their throwing arms at the prospect of a Netanyahu win. "The kids here grew up during the intifada, and they still think like soldiers," snarled Mustafa Dha, a resident in the bustling produce market of Qalqilyah, a Palestinian-controlled town. "Then we'll crash them again," was the quick retort of one jubilant Likud supporter. His is a widely rare Israeli version of a one-year struggle that many Israelis accept that they lost, crying woe from the physical and moral burden of sending their sons and daughters in the way up against Palestinian civil disobedience with stones.

Yet many Israelis worry that Netanyahu's promises could mark a return to those days. Late an advocate of an Israel that stretches from the Jordan River to the Mediterranean, he has vowed to strengthen Israeli settlements on the West Bank—parts of which ultra-Orthodox Jews claim for themselves by Biblical right—used to send soldiers into armed conflict by the nascent Palestinian Authority whenever Israeli security demands it. And talks with the Palestinians over the future status of Jerusalem—which Israel is compelled to negotiate under Oslo's terms—will be short. Nothing to discuss, Bibi says.

Not in Netanyahu's ability to lead the Golan Heights back to Syria, which is demanding a return of the strategic and venerated hills captured by the Israeli coalition attack in 1967. Many Israelis who have since settled in the Golan were resigned to leaving their homes should Peres win again, sacrificed to the "greater national good" of a deal with Syria. Now, they sense a regretful

"We had to fight for 100 years to get what we have now, so let's not change it," said Mike Ben Hay, 42, a resident of Kibbutz Ezi in the Golan hills, an over-zealous settler on starting to crop new under the hot May sun. "We did we gave the country a reasonable eastern barrier. The Arabs are saying: 'Come us back the land and we won't kill you.' Well, when push comes to shove, we have them down cold, so I'm not worried."

That's the kind of broad-shouldered talk Netanyahu likes to use himself. But there were nays, as he narrowed Peres's reelection 36-point campaign lead, that Netanyahu soon had him too dissolving into more muddled city. Where he once swore he would "never" talk to Arafat, Netanyahu now says he "hopes he doesn't have to." And Likud leaders acknowledged that the peace process cannot be reversed. "I wish I could turn the wheel back on certain



Likud supporters celebrating in Tel Aviv a demand that the Likud peace process at least be slowed down

parts of the agreement, but once it was made, we have to take it from where we are it," said Ehud Olmert, Jerusalem's mayor and a senior Likud member. One of Netanyahu's first post-election statements was to reiterate that he would not tear up the Oslo agreement. The deal has increased international investment in Israel, and the country remains heavily dependent on aid from Washington, which so wants the process to continue that the Clinton administration quickly backtracked Peres's reelection bid.

"Oslo is irreversible, but Bibi will try to postpone the next steps," suggests Daniel Tropper, a prominent Jerusalem community worker. "He will try to make the current situation the final situation."

It will still be uncertain whether a Netanyahu government will be more pragmatic than ideological, but the election has shown the country to be ungenerously more factionalized than ever. Smaller, narrow-interest parties scored extraordinarily well in elections for the 120-seat Knesset, or parliament, at the expense of both Labour (94 seats) and Likud (52). The new election includes a record 24 members from religious parties, and a block of seven members from the newly formed Russian immigrant party, though Netanyahu is not expected to have any difficulty form-

Peres: no political future



ing a permanent coalition.

But Israeli's present future is between secular and religious Jews. "We have two groups who have completely different perceptions about what this state is all about, and they are equally intolerant of each other," said Tropper. "One sees a Jerusalem with center-saint at the heart of the social gap between Jews. Orthodox Jews are the fastest-growing group, to numbers as well as in political strength. They were alarmed by Labor's coalition partners, especially the Jewish Arab parties, which talk incessantly of withdrawing the draconic attitude of the Jewish state. Many secular Jews respond that they are the ones risking their lives in the army to defend the religious rights of orthodox Jews (an accusation). They sit in synagogues, reading their books and praying, while I sit up on the balcony sleeping with a gun," said one famous writer in Tel Aviv last week.

The result is that a country that once drew strength from keeping up its guard against outside enemies now finds itself turning with suspicion on those within. "It is never useful to check the Jewish parameters on one. Right is too close," said a security expert for the Jewish sector. El Al, standing a few feet away from where a few killed Arabs. "Wow, I find myself for the first time looking into the eyes of a Jew, and wondering if he means me harm."

If there was one casualty of the contentious other than Peres's political life—this is his fourth unsuccessful bid to be elected prime minister—it was his political legacy beheading a "new Middle East." "We are embarking on an era in which the guns will stay silent while dreams flourish," Peres wrote in the epilogue to his memoir, *Breaking the Peace*. His vision portrays an integrated Middle East, where Israel and its Arab neighbors form a regional trade and defense bloc. He preached that skills and resources would be shared, occupied territory—mostly Palestinian lands—would be a message of hope, targeted at Israeli youth and looked forward every time Peres had his photo taken welcoming another Arab leader to the peace camp. "The new Middle East is a fact," said Carmel Elron, a partner in the Galilee hilltop town of Zefat and a former Labor activist from Peres's generation. "Peres likes his ideas. But he is not an empty dreamer."

Yet many Israelis remained staunchly skeptical. The Middle East is one of the globe's toughest neighborhoods, not the Scandinavian Peres openly wished for. His right-wing opponents ran campaigns still showing terrorist violence—followed immediately by footage of Peres and Arab leaders hugging in hand. And Netanyahu refused to opportunity to mock the "new Middle East." He demanded to know, "Why can't it be good enough to simply perpetuate the next war? Peace is like love: either comes or it doesn't. But a situation of no-war is also good."

That is the controversy that Netanyahu's go-with approach may enter in. "Of course we want peace, but we have time, we don't have to rush," said Nir Erezman, sitting in the colorful gar-



A Palestinian woman passes soldiers guarding a gate in Jerusalem's old city, an intractable issue.

den of her home in Beth Pines, a parish that slopes into a valley out onto the Sea of Galilee. The view is peaceful and serene, but the Zionist pioneers who in the 1880s made Beth Pines the first immigrant Jewish settlement were not moved to manufacture its goodness. To them it was hostile, inhospitable land and they barely scratched out a living. Friedman's husband is a grain-grower and son of those first families. She has heard the family legends, and is not about to get sentimental and soft now. "Jews are not allowed to be weak," said Friedman firmly. "Peres is an old man, who wanted to go into history as the King of Peace. Fine. But peace is something we have to do carefully."

Peres was not oblivious to that need for caution. In the last few months, the Labour party talked up its policy of separation to try to soothe Jewish worries. The two peoples could have their own states, Labour said, but the Palestinian people would be located in and could be sealed at Israeli will. "We don't believe in real limitations at states," said Labour health minister Ephraim Sneh. "It didn't

work at Yugoslavia, and history is full of horrifying examples of what happens in multinational states. Separation is the only way to build a reasonable coexistence here." Even with Labour's defeat, it is an idea that retains currency. "I don't care if separation is not in keeping with the taste of Western liberals," said Tropper. "The crude reality is that people are not ready to live together, not overnight, not after 50 years of war."

In practice, separation is a loose mesh of rusty poles and barbed wire, strung for miles around dusty Palestinian towns like Qalqilya, now located at Tel Aviv. Qalqilya has been shattered since the 1967 war. In the market, the area complex that the light security has destroyed businesses—without market land any other. "A house will never say people who want to do operations in Israel," said one man, pointing out a Palestinian woman walking into town through a hole in the fence. "A fence will only make more hatred," and another, Mahamad Dawud, has voice rising in the empty market. "It is impossible, impossible to keep us separate. We depend on Israel economically, and they depend on us."

But Israeli businesses are importing more and more foreign workers to reduce their dependence on the Palestinian labor force. That angers poorly for Arabist, who must show that his agreements have brought some prosperity, even if they don't return all the lands lost to Israel through war. Many Palestinians remain disappointed by the idea and Arabist, and are not yet ready to surrender their dream of returning to lands lost in the wars of 1948 and 1967. "I can see my father's lands in the hands of the Israeli," said Mahamad Dawud in Qalqilya. "Wouldn't you fight until you get it back? And who," he asked defiantly, "will control Jerusalem?"

Even friends admit it is hard to get to know the real man behind the public persona, but they say Netanyahu is a lonely and driven figure. Democrats are irritated by his arrogant American affectations, the last product of his high-school and university years in the United States, as well as his later tenure as a diplomat. During his stints at Israel's Washington embassy and at the United Nations in New York City, Netanyahu's abrasive English made him a favorite of ABC Nightline host Ted Koppel and other media heavyweights. Back in Israel, as deputy foreign minister during the 1991 Gulf War, he acted as the government's main spokesman, once donning a gas mask while on a live CNN interview during a Scud missile attack. "Intervision is not the reflection of reality. It distorts reality," he has said.

But that American approach to politics has sometimes backfired. In 1990, Netanyahu's mouth got him into trouble with U.S. Secretary of State James Baker, who learned the lesson from his deputy foreign minister during the 1991 Gulf War. He acted as the government's main spokesman, once donning a gas mask while on a live CNN interview during a Scud missile attack. "Intervision is not the reflection of reality. It distorts reality," he has said.

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Problems over women have plagued Netanyahu's personal life. His

Always Jerusalem. No issue is as intractable as the competing claims on the city that contains the Temple Mount, a foundation of the Muslim and Jewish faith. Standing at a newly excavated part of the Western Wall of the Old City's Jewish Quarter on a blistering day last week, archeologist Yehoshua Bilig pointed to the ancient chalk limestone street exposed below. He and his workers are stripping away the centuries, exposing evidence of Jewish life just outside the Second Temple walls 2,000 years ago. It is a dream of 70 AD. "You can still hear the thud and the echo of those second-century footmen thudding down onto the street," said Bilig, his eyes betraying his excitement.

Cracks on the Muslim side of the city contend that the Jewish excavation is politically driven by the Jewish claim to Jerusalem. Bilig just accepts that suspicion comes with his working. "To be here, to touch the last fragments of Jewish independence before being dispersed for 1,900 years, is obviously not just a professional challenge—it touches your heart," he said. It is that emotional drive, the mystical appeal of place, which makes it seem impossible that Netanyahu or Arabist can keep the peace process alive unless the Temple Mount is resolved.

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Netanyahu meets with a religious party leader, problems over women.

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Guilty, guilty, guilty

A Whitewater verdict is bad news for Clinton

After a seven-month siege in Bill Clinton's popularity and rising criticism of prolonged official inquiries into his past, the U.S. President's reelection campaign is suddenly in danger from a bad-news week. Investigations into the so-called Whitewater scandals produced guilty verdicts against three Clinton associates in an Arkansas court. That case served necessarily close to the President and Hillary Rodham Clinton. A Supreme Court nominee in a sexual harassment suit against Clinton focused attention on his reputation as a womanizer and his record of ducking military service. And at week's end, emboldened Republican critics breathed a contempt-of-Congress motion in a battle with Clinton aides over another long-standing accusation. The question in Washington is whether Clinton's bad week will haunt him to election day, Nov. 5. Yes, says Republican strategist Charles Black: "Whitewater and all these related scandals are going to be on the agenda." Democrats counter: James Carville says not. "It's all the same," he insists. "The country doesn't care."

Whether voters care, or are largely bored and lulled by Whitewater complexities, one certainty is that there is more to come. On June 17, a special Senate Whitewater committee led by New York Republican Al D'Amato is slated to disgorge findings sure to scorch the Clintons. The same day in Little Rock, the Arkansas capital where Clinton was state governor for 12 years and has with a leading lawyer, two backers go on trial accused of crimes that include charges of illegal banking for Clinton's Arkansas electioneering. Two congressional House panels are also gunning the Clintons. One accuses Hillary Clinton of providing a 1991 disband of White House travel office staff to make way for friendly replacements. That in the so-called Travelgate affidavit of Whitewater. It generated last week's contempt threat on the ground that the White House is withholding evidence. With Clinton officials delivered some of the documents demanded, inquiry committee chairman William Clinger, a Pennsylvania Republican, declared the banover to be only "the beginning of a victory."



The President's defendants Susan McDougal, James McDougal and Jim Foster (clockwise from left) will voters care?



REPORT FROM WASHINGTON
BY CARL HOLLING

Ultimate victory seems doubtful. Clinton and renegade the Republican Senate and House majorities in the November election. And after long months in which the relentless Republican pursuit seemed only to have lost the public's attention but also annoyed the voters, a conspiracy of anti-Clinton events appeared to assist the Whitewater crusade. First, Clinton lawyer Robert Bennett amended a written argument to the U.S. Supreme Court for delaying prosecution of a lawsuit by former Arkansas clerk Paula Jones. She claims that Clinton, while governor in 1981, made crude sexual advances. Bennett, noting that the President is military commander-in-chief, had originally invoked a law that postpones such cases against active servicemen. Republicans ridiculed that claim for Clinton, who evaded

Vietnam War duty. They roiled a TV ad denouncing Clinton for "trying to avoid a sexual harassment lawsuit defining he is on active military duty." Bennett, while assailing the Republican reaction as "a phony political stunt," reduced his wife's military-exemption argument to a footnote.

Then, at an Arkansas trial arising from inquiries led by special federal counsel Kenneth Starr—a Republican Washington lawyer attacked by Democrats and others for simultaneously representing right-wing groups and clients dealing with the government—the jury returned guilty verdicts against three defendants accused of fraud. Clinton had earlier testified in their defense via closed-circuit TV. Judged guilty and facing potential sentences of years in prison are James and Susan McDougal, former business partners of the Clintons in what later proved to be a long 1970s investment in an Arkansas resort development named Whitewater. The third person found guilty was Goe Jan Guy Tucker, the Democrat successor to Clinton, who promptly announced his resignation. A Republican lieutenant-governor succeeds him.

White House press officers stressed that Clinton was not involved in transactions at issue in the Arkansas trial. They recycled rounds of papy quotes indicating that Clinton's testimony had been leveled, if not effective against documentary evidence of fraud. But last week's convictions raised to 14 the number of Clinton associates in Arkansas—hunters, lawyers and businessmen—who were found guilty or pleaded guilty during the past two years to fraud and other offenses.

Much of that has passed by the public, surveys indicate. That Republicans seized on a poll conducted in the Little Rock weeks were harmful down on May 29 and the next day. In fact, the CNN-USA Today sounding showed scant change in approval ratings for Clinton versus his Republican challengers, Bob Dole. Clinton led by 36 percentage points, 56 to 40, compared with a 58 to 38 count just over two weeks earlier. But to a poll campaign as whether Clinton was "hiding something" in the Whitewater case, 60 per cent of respondents agreed, compared with 51 per cent a year earlier. The Clintons and the Democrats have to hope that the polls reflect a temporary slip—and that editorialists of the country's daily newspapers are wrong. The liberal Washington Post concluded that the Little Rock verdict "may mark the opening of a new phase in Whitewater," while the conservative Washington Times concluded that "it just doesn't look good for the first couple." □

1 They called it "hell on earth."

2 Here's what helped extinguish it.

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AAJ Automobile Journalists Association of Canada

World NOTES

IRA JUBILATION

Seán Potts, the political wing of the Irish Republican Army, won 18 per cent of the vote, its best showing ever, for an all-party forum that will send delegates to June 18 peace talks on Northern Ireland. Jubilation: Sinn Féin Leader Gerry Adams challenged British Prime Minister John Major to give him a seat at the talks table. But Major retorted he'd demand that the IRA first declare a ceasefire.

COMMANDERS FIRED

Three top U.S. officers responsible for the military plane that crashed and killed Commanders Secretary Ron Brown and 34 others in Croatia were relieved of command. Germany-based Big-Oen, William Stevens and two colonels were reassigned after their superiors "lost confidence in their ability to command" due to revelations from the accident probe, the air force said. It gave no details. Probe results were expected this week.

GUILTY OF WAR CRIMES

In a fearful confession to the international war crimes tribunal in The Hague, a Bosnian Serb soldier said he was forced to kill 78 Muslims or he killed himself after he set on fire the village of Srebrenica last July. Dragan Erdemovic, 24, said the bodies were then placed into a mass grave. He became the first defendant to be convicted by the tribunal.

RALLIES IN MYANMAR

The military junta in Myanmar (formerly Burma) incited a series of pro-government rallies to try to counter a mass turnout for a meeting organized by Nobel Peace Prize winner Aung San Suu Kyi. Undermined by the arrival of 582 members of Suu Kyi's National League for Democracy, 70,000 cheering Burmese attended her speech opening a three-day party congress. The junta later released at least 61 of the detainees.

MONKS KILLED

Algeria confirmed that seven French monks kidnapped by Islamic extremists had been killed and their bodies found. The Trappist monks, ages 50 to 82, were kidnapped in March from their monastery near Medea, 70 km from Algiers. The Armed Islamic Group announced that it had shot the monks "because after their refusal to negotiate the release of Algerian militants imprisoned in France."



Devendra Gouda pledges to continue the country's economic reforms

A pragmatic socialist takes over in India

India's third prime minister in three weeks has sworn in following the collapse of a Hindu nationalist government just 12 days after taking office. The new premier, moderate socialist H. D. Deve Gowda, 63, was the choice of a centre-right coalition that was a runner-up in inconclusive national elections in early May. Hindu nationalists led by Atal Bihari Vajpayee had been given the first chance to replace the deposed Congress party.

India's economic reforms, under which foreign investment has poured into the country. Congress, which brought in the reforms, backed his pragmatic coalition but said it would not join the government. A straight-talking pragmatist, Deve Gowda was formerly chief minister of southern Karnataka state, whose capital, Bangalore, is known as India's Silicon Valley; the leading centre for high-tech industries. He must still run free for seat in parliament.

ENVIRONMENT

Plugging the ozone hole

American scientists predicted that the hole in the earth's protective ozone layer may begin to heal within 10 years. In a study published in

the journal Science, the researchers said they had for the first time measured a reduction in levels of ozone-depleting chemicals in the stratosphere. Scientists of the same layer, which blocks the sun's harmful ultraviolet rays, has been blamed for an increase in skin cancer and other maladies. The sci-

entists found that levels of chemicals and biomass peaked in 1994 and went down in 1995—the first time since they began to be used in refrigerators and aerosols 30 years ago. The experts credited a 1987 protocol signed in Montreal, where governments agreed to limit the use of harmful chemicals.

Chechnya's truce

Russian President Boris Yeltsin made a lightning trip to the war-torn region of Chechnya after reaching a groundbreaking ceasefire agreement with Chechen rebel leader Zelimkhan Yandarbiyev in Moscow. The pact was widely seen as boosting Yeltsin's standing against the leading rival, the Communist party's Gennady Zyuganov, in the ball race for the June 16 presidential election. In a proposed two-day later, Yeltsin of-

fired the breakaway region autonomy in finances and resources, although not the independence the rebels seek. But shortly before the ceasefire came into effect at midnight Friday, peace talks planned for the weekend in neighboring Dagestan were abruptly cancelled. Chechen spokesmen had warned they might boycott the talks due to continued fighting in the town of Shali, near the capital. Grumpy Russian troops were already cancelling peace talks and spreading fire, demanding that Chechen guerrillas surrender.



Yeltsin meets Chechen rebel leader



Escape

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Black and wife
Audina Angel last
week: sleeping
40-minute stretch

Going for control

BY DAVID ESTOK

It was the summer of 1990, when Conrad Black, David Radler and Peter White pooled together \$80,000 to buy the *Sherbrooke Record* in Quebec's Eastern Townships, one of their first moves vis-à-vis editorials from the giants of the industry. The trio, all in their 30s, are now representatives of the Montreal Gazette, the rival (and now defunct) *Montreal Star* and Thomson Corp., the Toronto-based media empire famous for pornography. Radler vividly remembers being ushered into a small, crowded office where an accountant showed him Thomson tracked every single expenditure at each of its many newspapers. "When they showed us how they did their accounts, I just went, 'wow,'" Radler says. "After those visits, we knew who to talk to—the model because the Thomson chain."

Now, almost 30 years later, Black's Hollinger Inc. has surpassed Thomson to become the dominant player in Canada's print journalism and the third-largest newspaper chain in the world by circulation. In a triumphal address to shareholders, the Montreal-born press baron last week, described how he gained control of a long-sought-after prize, Southern Inc., which owns 30 dailies in-

cluding *The Vancouver Sun*, the *Calgary Herald* and *The Ottawa Citizen*. But the May 24 deal by which Black raised his stake in Southern to 41 per cent from 29.5 per cent, buying out Quebec's Power Corp., was far from a clean stroke. In his wife, Hollinger waged a nasty battle with a group of independent Southern directors, none of whom Black intends to turf off the board at a meeting later this month. The company also has critics from broadcasting agencies about Hollinger's growing debt load—which could cost \$3 million if he proceeds to buy all of Southern—and from radical analysts who worry about the industry's growing concentration.

Black, Hollinger's chairman and CEO, fired his attackers head-on in a stinging 10-minute speech at the company's annual meeting in Toronto. "Our grand total of newspaper copies sold is only 7.2 per cent of the Canadian population," he told shareholders and Southern executives gathered on what was once the trading floor of the Toronto Stock Exchange. "No serious assertion can be made that this constitutes a threat to free or varied opinion." The debt, Black said, was "quite manageable," adding, "The concern that has been orchestrated about it is in the press is quite spurious."

Black saved his most damning remarks for the company he had just taken over. "Through the nearly 30 years that David Radler

BLACK INC.

It has then a pace.
Conrad Black's stake of
Canadian daily newspapers
has grown from 12 to 30.
The key dates:

July 27, 1995: Black's
Hollinger Inc. purchases
13 small Ontario and
Saskatchewan dailies
from Thomson Corp.,
a communications giant
that has been gradually
reducing its stake in the
newspaper industry.

Dec. 29, 1995: Black
buys two more dailies
in Saskatchewan and 12
non-dailies from the
Shon family, ending
the deal's nearly 100
years in the newspaper
ownership business.

April 20, 1996: Hollinger
acquires another deal with
Thomson, taking over six
dailies in Atlantic Canada.

May 7, 1996: Black buys
six more Thomson dailies,
this time in Ontario.

May 24, 1996: After
filing in a bid to acquire
10 smaller papers from
Toronto-based Southern Inc.,
which owns 20
dailies, Hollinger pays
\$294 million to double
his stake in the company,
effectively becoming its
controlling shareholder.
Black says he will soon
raise an offer for 100 per
cent of Southern's shares.

and Peter White and I have been in this business, it has been my impression that Southern management have acquired adequate returns for the shareholders, published generally analytical products for the readers, and received no exaggerated indications from the working press for the resulting lack of financial and editorial rigor."

Those complaints, repeated several times by Black later in the speech, led many observers to speculate that Southern CEO William Ardell would soon be seeking other employment. For now, however, Hollinger executives say Ardell has their support. If nothing else, Hollinger's conquest of the company ends a two-year power struggle among three factions on the board of directors. In what all sides now describe as a "divisive situation," Ardell faced conflicting pressures from Hollinger, Power and a group of eight independent directors. Some of that animosity broke into the open in late February when Ardell wrote a letter to Black criticizing Radler, Hollinger's general manager, for publicly expressing disappointment with Southern's financial performance. Asked about Ardell's letter, Radler responded: "Obviously, he's nervous about the results. He may be under greater pressure than I thought."

The turning point for Hollinger was its December purchase of the *Saskatoon Star Phoenix* and *Regina's Leader-Post*, papers that many directors felt should have been added to Southern. With Southern growing, Southern drew up a plan that would have allowed Black to swap his 19.5-per-cent interest for 10 smaller Southern dailies. Black and Paul Desmarais, then-chairman of Power Corp., endorsed the proposal, but the independent directors—including Tom Korman, president of the C. D. Howe Institute, former Noranda Forest Inc. chairman and B.C. Gas Inc.—blocked it on May 1. Soon after, Desmarais agreed to pull out of Southern and sell his shares to Black.

Last week, a nervous-sounding Ardell faced

about 780 of Southern's 7,900 employees at the firm's head offices in Quebec. Toronto, the acknowledged headquarters, is enjoying low days, jokingly jacking a bottle of Black's rum from the shelf to underscore his point. Ardell then assured worried staff that any "disastrous downsizing is unlikely" and that Hollinger remains committed to a three-year plan to reduce costs. After taking questions, the CEO picked up the rum for a batch of chicken fingers, salad, watermelon and coffee.

But it may be the last live lunch at Southern for a while. Like Thomson, Hollinger has a well-earned reputation for cost-cutting. After he and his partners purchased the *Sherbrooke Record*, Black stated in his autobiography, they cut 40 per cent of the workforce and introduced draconian cost controls. Employees were monitored, more or less good-naturedly but with aperiodic persistence. "And two days after Hollinger purchased the *Saskatchewan papers* this year, the company saved 175 of 690 employees."

Black says he anticipates no large-scale layoffs at Southern beyond a previously announced plan to trim 750 jobs by 1998. But Black told shareholders that spending at the newly acquired company can be curbed by eliminating outside consultants, streamlining management, reducing newspaper consumption and controlling capital expenditures. "While this fact may scare some members of the working press, Hollinger is the greatest corporate friend Canadian print journalists have," Black said.

That said, the changes Hollinger has in store for Southern will dramatically alter the daily newspaper scene in two million Canadians. Historically, the Southern papers were run as individual businesses with little interference from head office. But recently, as one Southern executive puts it, "the walls have been coming down." Instead of separate sales staff for national advertising at each paper, that function is being centralized. In addition, all payroll and accounting will be done in Calgary.

'Hollinger is the greatest corporate friend Canadian print journalists have'

A YEAR OF CHANGE FOR CANADA'S DAILIES



Ardell no more
five lunches



any. Eventually, Southern is working on "shared pages" of sports, entertainment and stock market listings that will be assembled at one location and sent across the country. "I don't need to have the same thing written 17 times," Ardell says. More recently, Southern is threatening to pull out of The Canadian Press wire service, which it scales back its operations and agrees to reduce Southern's \$8-million annual contributions.

In the face of widespread doubts about their intentions for some of Canada's best-loved newspapers, both Black and Radler vowed to improve Southern's editorial quality. The atmosphere at the annual meeting was warm, almost celebratory. "When we started, I thought we would be big," Radler said, looking back to the days at the *Record*. "But not this big."

Across town at Southern headquarters, the mood was, at best, uncertain. A day after the Hollinger meeting, Bill Ardell was going for a drive when the phone on his desk began to ring. "Get," he said. "I hope it's not Conrad calling." □

Face to face with Black

'I'm no Pollyanna,' the new Southam boss says

Canada's newest media megastar, Hollinger Inc. chairman Conrad Black, spoke with Maclean's Senior Editor Ross Laver and Associate Business Editor David Kish a day after the company's annual meeting last week, as Black was preparing to depart for an exclusive, four-day gathering of international political and business leaders north of Toronto. *Keywords:*

Maclean's: Some people seem to think you have been excessively harsh in your criticism of Southern's old guard.

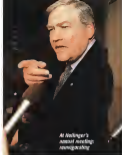
One businessman commented after the Hollinger meeting that what you announced seemed absurd.

Black: Whoever that guy was, I agree with him. But [my remarks] were, I think, applicable to what these people have done. In fairness, Adam Zimmerman and Thomas Kiersey haven't spoken a word of me as a person, and I wouldn't speak nastily about any of them as individuals, but we reached a complete breakdown of rela-

tions on the issue of participation in Southern's affairs. It's not a vendetta, but I think what they did was outrageous. Maclean's: Is this the culmination of a long-standing drive to gain control of Southern?

Black: I wouldn't put it quite like that—I'd be careful about using the word 'grab.' It was the crown jewel of Canadian print media, so yes, it's always been there, and I had a very good relationship over the years with many of their top people. It was not as if I was walking in some hostile or predatory way. I didn't think things would turn out so they have. I thought as recently as a few weeks ago that they would take the proposal that was presented by management at the suggestion of Power Corp. to increase our shareholding in some of their smaller papers. It's not a manifestation of some overweening ambition on my part to be as prominent in that industry in Canada as we are.

Maclean's: Are you looking to make some



At Hollinger's annual meeting, reorganizing.

fast changes at Southern, perhaps at the senior level?

Black: No, not the senior levels. I think they've got a lot of good people there. I think [president and CEO] Bill Arnold has assembled a good team. It's more frustrating and giving a bit of leadership in places where there hasn't been a necessity by management to break cardinal over opposition because of the factionalism among the divisions.

Maclean's: After the annual meeting you mentioned to a union representative that some of Southern's managers 'should be quaking in their boots now.'

Black: We were speaking somewhat jokingly. He was harping on that journalists were mean about me. But I was saying, in part, because it would be useful in reorganizing the 'Canada Post' should you ever take a run at Southern. Now that you have fulfilled that ambition, does Southern still fit in as part of a broader political strategy?

Maclean's: Is your autobiography, you said you purchased last year? Will magazine in part because it would be useful in reorganizing the 'Canada Post' should you ever take a run at Southern. Now that you have fulfilled that ambition, does Southern still fit in as part of a broader political strategy?

Black: No, not a political strategy at all. It's just giving us another solid source of an article in another jurisdiction. The useful thing in this, as in any business, is to have as many sources of income independent of each other, particularly so if you're a politician.

Maclean's: You have often criticized Southern's paper for being too local. Under Hollinger, how will they change?

Black: I think we will do our best, now, to integrate the entire organization with confidence in the future of newspapers. For some years it was a delusional culture, a 'management of decline' mode. I'm no Pollyanna—if we had ourselves on the decline, we'd obviously conduct a transitional defence. But I think there is a possibility for

the Southern franchise to reassert themselves and to regain considerable prominence. Some of those papers are not terribly badly regarded in the communities they serve, but that can be rebuilt. And secondly, we will set out as a matter of policy to reassert the very best, most innovative and best written that we can. There are exceptions, of course, but generally the very best writers haven't been with Southern.

Maclean's: Does part of this have to do with reorganizing newspapers that are more in the British style, perhaps more provocative politically?

Black: I think there's room for a bit of that. Obviously, this is not as strong a newspaper-reading culture as Britain, neither at the quality, nor the popular level. And finally, Canadian text had to be as articulate with words—either written or spoken—as the British are. But I think there's room for some improvements of the kind that could be borrowed from Britain. By that I don't mean we should copy the tradition of British methods nor Canada. They're two different cultures and we've got to respect that.

Maclean's: As a way of reorganizing Southern are you looking to spend some money improving skills?

Black: I don't know. Does it require money or just more demanding editors? What happens if the editors just require a higher standard? If it requires money then we'll find the money for it, but I'm not sure that money is the problem. Certainly Southern didn't want an editorial expenditure for long time.

Maclean's: You mentioned a digital editorial. How do you go about changing that? Black: It's the reverse of 'The line has no clothes.' You see, in effect, I'd like to see the line have clothes. Write the leading newspaper at the city, no other media outlet has to be involved in a position. Let's not be so much the alleged upending obsolescence of the newspaper and fight like hell to convince the public that they need and want this newspaper. It's a bit corrupt—it's more like locker-room. Those saints of computer users across Canada have already used one of the Net's many search engines to track down long lost friends and relatives. Others regularly go on line to exchange advice with people who suffer from similar health problems. Of course, the Net has also proven to be a valuable networking tool for activists and AIDS/HIV warriors, but that's a subject for another day.

It doesn't take much imagination to realize that the Internet can be an extremely powerful resource for consumers. Suppose, for example, that the motor in your three-year-old dishwasher gives up the

Ross Laver

Personal Business

The best digital deals

What a difference a year makes in cyberspace. Back in the spring of 1995, a person could spend hours surfing the World Wide Web without once stumbling upon a major corporate site, advertisement or brand name. In those days, on-line web work largely consisted of academics and computer junkies. But in the span of 12 months, Corporate America has moved in and imposed a kind of capitalist order on what was previously a wildly anarchic community. There's not necessarily anything wrong with this trend, but it does seem strange to talk about the "digital revolution" when every second home page is cluttered with ads for such familiar giants as AT&T, Visa and General Motors.

By the same token, it would be a shame to conclude from the Web's rapid commercialization that the Internet is becoming just another vehicle for direct marketing. The late-night TV commercial on a time slot, Look beyond the brand names and the slickly designed corporate home pages and the Web will shift out the promise of a massive power shift from large institutions to individuals. With a little luck, the Internet might even turn out to be the best way to happen to the consumer movement since Ralph Nader took on Detroit in the 1960s.

The reason for this is simple. The Internet makes a possible—say, in fact—for individuals with shared interests to swap ideas and pursue common goals. Thousands of consumers' users across Canada have already used one of the Net's many search engines to track down long lost friends and relatives. Others regularly go on line to exchange advice with people who suffer from similar health problems. Of course, the Net has also proven to be a valuable networking tool for activists and AIDS/HIV warriors, but that's a subject for another day.

It doesn't take much imagination to realize that the Internet can be an extremely powerful resource for consumers. Suppose, for example, that the motor in your three-year-old dishwasher gives up the

ghost and rather the dealer nor the manufacturer is willing to accept responsibility. On your own, there's little you can do. But what if you posted a message outlining your complaint on an Internet site devoted to consumer issues—and discovered, as a result, that 50 other owners of the same brand of dishwasher have had exactly the same experience? All of a sudden, what might have been dismissed as an isolated problem looks like a clear case of a manufacturing defect. Not only that, but anyone thinking of buying that same model of dishwasher could scan the postings and discover whether or not other owners were happy with their purchases.

Companies that did a poor job of pleasing their customers would likely pay a heavy price in lost sales.

Web sites like that don't exist yet, but they are coming. British's Consumers' Association, for example, plans to introduce a kind of electronic marketplace on the Net that will allow consumers to exchange information about faults or problems with the products they buy. Using the same service, a person who wanted to purchase a particular model of car could get together with a dozen other people with similar interests. The potential buyers could then choose to meet, taking advantage of the lower profit margins on fleet purchases. Appliances, package holidays and financial services are among the other items that could be purchased in this fashion, the British association believes.

The implications are huge, says Sheila McKechnie, the organization's director. The Consumers' Association of Canada, which is joining together its own Web site, hasn't considered whether to offer such a service here. But the federal government, through Industry Canada, is planning later this year to launch a national on-line information service for consumer groups and activists. At first, it will focus mainly on an electronic reference library, but there are plans down the road for a bulletin board service open to all Canadians, accessible through Internet terminals in a variety of public places. For digital-age consumers, that truly would be revolutionary.

Suzie already expects to be able to call her daddy from anywhere.



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Business NOTES

MINISTER SLAMS LOBBYISTS

Intense lobbying by banks, insurance companies and the auto-leasing industry has forced Ottawa to water down proposed reforms to the Bank Act, says Doug Peters, secretary of state for international financial institutions. Peters, a former bank economist, was expected to table a policy paper in January but it has been delayed until later this month. "Consumer concerns have been all but lost in the consultation process," Peters complained.

AIRLINE EXPANDING

Canadian Airlines plans to hire between 500 and 700 people as part of a strategy to make Moncton a major North American hub for Pacific Rim operations. President Kevin Jenkins said the company is hiring flight attendants, ground crews and baggage and cargo handlers. The decision follows an agreement with recently over- American Airlines to increase the number of trans-Pacific flights from Vancouver.

LOBBY GROUPS MERGE

Two of the country's largest business groups are merging. The Canadian Manufacturers' Association and the Canadian Exporters' Association will be known as the Alliance of Manufacturers and Exporters Canada. The move reflects the growing dependence of Canadian manufacturers on international trade.

CANADA IMPROVES

Canada is improving its competitiveness as the global economy turns, a new study says. The latest report by the Geneva-based World Economic Forum ranked Canada eighth among 49 countries in competitiveness. Last year, Canada was in 12th position. The report called on Canada to cut government regulation and reduce the number of workdays lost to strikes.

SEAGRAM EYES GROWTH

Montreal-based Seagram Co. Ltd. is looking overseas for growth in its liquor, film and entertainment businesses. Seagram CEO Edgar Bronfman said five billion people outside North America "have an insatiable thirst for Western culture." He told shareholders at the company's annual meeting that his move into the movie business last year with the purchase of MCA is responsible for about half of Seagram's \$1.9 billion in revenues.



Installing a direct-to-home dish: Canadian companies are worried

Satellite warfare

A group of Canadian broadcasting and satellite companies is threatening legal action to block the sale of direct-to-home satellite dishes. Six Canadian companies, along with the Canadian Film and Television Production Association and the Canadian Association of Broadcasters, have urged Thomson Consumer Electronics Canada Inc. to drop its plans to sell pre-assembled digital satellite dishes in Canada. The dishes, marketed

under the RCA brand name, allow consumers to pick up television signals from U.S.-based satellite services. Broadcasters are upset because the U.S. services are not licensed for Canada and do not own the Canadian rights to movies and many other forms of programming. "Right now, there is only one reason for the sale of these dishes and that is to receive broadcasts from parties who are not licensed to do business in Canada," says Esther Hare, vice-president and general manager of Alliance Pay Television Ltd. "The RCA dishes are simply to expand the [illegal] 'grey market' that U.S. companies already enjoy

in Canada before the industry can get up and running." Four Canadian companies have declared their desire to offer direct-to-home satellite services in Canada, but so far none has been able to get a system in operation. Meanwhile, as many as 150,000 people across the country have purchased receiver dishes and pointed them at U.S. satellites in order to pick up as many as 300 channels of news, sports and entertainment programming.

ECONOMY

Signs of strength

The sluggish Canadian economy appears to be on the rebound. Statistics Canada says that economic growth for the last three months of 1996 totalled 0.3 per cent, up from 0.2 per cent in the final quarter of 1995. Some economists say the numbers suggest an economy about to take off. "What you're left with is an economy finally out of the doldrums," says Peter Gault, secretary of the London, Ont.-based Canada Trust. Gault said growth in the domestic economy—consumer spending, business and housing—staved the strongest stimulus in four years. Exports, weakened by a major loss of private in General Motors Corp., which led to a shutdown of assembly plants across North America, should show similar growth in the second quarter, he said. While exports declined 1.5 per cent, business investment was up 4.9 per cent, residential home building climbed 3.7 per cent and consumer spending edged up 0.9 per cent.



Detangle consequences of doing business in Cuba

Barred at the border?

The U.S. government has warned Toronto-based Sheritt International Corp. that its top executives—and members of their immediate families—are likely to be barred from the United States because of the company's dealings with Fidel Castro's Cuba. The so-called Helms-Burton bill, which takes effect this summer, targets foreign companies that profit by using property in Cuba confiscated from Americans by the Castro regime. Sheritt, whose CEO, Ian Delaney, is a friend of Castro, makes steel and coal at a site in eastern Cuba allegedly owned by a New Orleans-based company Sheritt controls in Cuba. Assets are worth \$275 million. An estimated 30 Canadian firms do business with Cuba, but most appear not to be in violation of the new law.



Peter C. Newman

The soft touch of an ace tax collector

It was no surprise that when Pierre Gravelle, the country's chief tax collector, was caught up in the current squabble over the Budget, finally won't's tax-free cut from Canada, the nation's screaming professor rose up as one, to defend the civil servant from political attack.

Gravelle, who has been Revenue Canada's deputy minister for the past nine years, holds a special place in bureaucrats' hearts. He has done it all, touched every Ottawa power base, that counts, having held key jobs at Treasury Board, Justice, Health and Welfare, and in the Privy Council Office, as well as having been deputy secretary to the federal cabinet and one of the key public servants behind the 1982 Charlottetown constitutional negotiations. "When I was first appointed to national revenue in 1987, I came kicking and screaming, because I'm neither an accountant nor a auditor, and knew I wouldn't be a popular fellow," Gravelle told me recently. "What I discovered was an incredible organization in need of profound adjustment because it was out of sync with the needs of society, both individual and corporate. Nine years later, I can boast that Canada has the most modern, progressive, client-oriented, technologically advanced border, trade and tax administration in the industrialized world."

That sounds extravagant, but during Gravelle's tenure—which included working under five ministers—the department's dominant priorities have been reversed. Instead of applying the notion that only and strenuous, rigidly administered enforcement of regulations is the only response to non-compliance, Gravelle believes that Revenue's dollar bill can be optimized through less draconian enforcement. "Enforcement should be used sparingly to encourage voluntary compliance," he says, "not as a sledge-hammer response to non-compliance." In practice, that means his department's revised operational code has concentrated on fairness, accessibility, transparency, consistency and predictability—in other words, applying the law with regard to special circumstances, occasionally appealing to the last thing any tax collector is supposed to have: a heart. That approach has enlisted the accounting profession in his crusade.

The highest achievement of most previous Revenue officials was to catch and convict cheaters; tough love is a more apt description of their approach. "Revenue administration," Gravelle says, "including as it does, taxes, trade, border transactions, administration of the excise levies and the GST, is too critical to the functioning of Canadian society to be a strictly bureaucratic exercise. It has to be fine-tuned to meet the needs of individuals. We should not enforce the law blindly. We must be in the business of education and facilitation. The key objective is to foster self-compliance by individuals and businesses and that means putting a human face on tax administration."

By law, Gravelle can't discuss any case histories, but he claims

that the department's many review committees take into account circumstances beyond taxpayers' control and situations of financial hardship to cancel penalties, vary interest on outstanding taxes and generally show compassion whenever it's deserved. "We act as a court of last resort, putting a human face on tax administration, when possible," Gravelle claims. He has placed unusual emphasis on 15,000 volunteers, who at tax time line out to old people's homes and similar locations to make certain that financially less well-off people take advantage of all the available tax credits.

One area where Revenue has turned unexpectedly tough is in administration of the GST, because those who cheat on the hated tax penalize responsible members of the business community who play by the rules. Last year, audit and verification efforts brought in \$4.3 billion from taxes on previously unreported incomes, and half a million non-Beers were identified and put on the tax rolls.

Gravelle's other major initiative has been to reduce departmental costs. When the customs, excise and taxation divisions were merged in 1992, overhead expenses of \$80 million were eliminated and total savings will reach \$200 million by 1999. Operating efficiencies were achieved through reducing the department's previous 22 regional offices to six.

In addition, many technological innovations are also yielding substantial savings for Canadian businesses. One of the major cost-saving ideas—an estimated \$380 million in the next 10 years—is the electronic processing of imported automotive and aerospace parts, which involves self-assessment of duties due by the companies receiving goods across the border.

What concerns Gravelle and his officials most is keeping track of tax sources within a globalized environment moving increasingly into cyberspace. "We know that electronic transfers of currency around the world now total about \$1 trillion a day," he points out, "and the traditional paper trails are no longer there. We need new treaties and new exchanges of information agreements to deal with this phenomenon. With the introduction of cyberspace, it's becoming a much more fluid corporate environment. But the fact is that these companies still have to operate in countries physically, and that's how we go at them."

Having transformed his own department, Gravelle is reaching out for greater fields. Revenue Minister Jane Stewart has brought his argument that tax collecting in this country should be spun out of the civil service into a more flexible Canada Customs and Revenue Commission. It could also collect all provincial taxes, saving an estimated \$400 million annually in duplication costs. "There is no reason," predicts Gravelle, "why by the year 2000 the Revenue commission couldn't also be collecting municipal taxes for those communities that want to save some money."

That's the kind of thinking that makes Pierre Gravelle a rare bird among Ottawa's cozy seniors.



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Muscat at Olympic Stadium: Wheel of Fortune's Vanna White; McDonald's burger and co-sponsor's symbols; "it sort of makes your hair stand up on end"

Canada's Dick Pound is an Olympic champion

Games are two parts. The first is that the financing model, which demands revenues in excess of \$1.7 billion—"U.S. dollars," says Pound, "not the northern pike"—was built on 100-percent backing by the private sector. From the start, Pound had concerns that the model would be too tight, though he never made it so publicly, fearing that any negative comments would hurt Atlanta's public relations bubble.

The second was ACOG's selling of the U.S. television rights, which is directly tied to point No. 1. In the summer of 1993, ACOG was eager to start the spade work on its \$280-million Olympic stadium. There was the small problem of funding, and the fact that ACOG needed a fat contract in hand in order to collateralize a \$400-million line of credit with NationsBank Corp. So the decision was made to separate the U.S. television rights to the Games with the big three networks. Pound told them: "Please don't go now. This is not a good time—you're going to leave athletes between \$75 million and \$100 million on the table." In the end, NBC signed up for \$625 million. "My feeling was we did the best we could do at that time," Pound says, "but that we did our best at the wrong time."

In August, 1995, Pound ensured that that would never happen again. With NBC sports president Dick Ebersol, he negotiated a \$4 billion TV deal that gives the network U.S. telecast rights into the Olympics of 2004, whenever they

Commonwealth Games two years later. It was Pound's sport tag accomplishments that connected him to the Olympic movement in the first place. And he kept those ties, through degrees in accounting and law, through two marriages—Pound and his second wife, Julie, live in Westmont—and through a growing relationship with McGill University, where he serves as chairman of the board of governors. But while he talks about the Games as a "social phenomenon that has the potential for doing good," Pound's role has become increasingly aligned with the business end. He has, in fact, worked at applying the concepts of big business to the IOC. If the IOC had corporate titles rather than bureaucratic ones, Pound would be its chief operating officer.

The problem with the business image is that it keeps conflicting with the ongoing operation of the Atlanta Olympics, which begin on July 18. There have been the usual penny-ante snafus: pernickie marketing problems with co-sponsor McDonald's; (it's the awkward capital of the world," says Pound of Atlanta). Then there were the more startling efforts of the city itself to run its own sponsorship program, say with Pepsi, to compete against the Olympics official pop sponsor, Coke. ("I never occurred to anybody that a city would ever think of underbidding its own organizing committee," he says.) And the way in which Atlanta is charging that organizing committee—the Atlanta Committee for the Olympic Games, or ACOG—for everything from garbage collection to police overtime. ("In Atlanta, we will ensure that each team is closely the arrangement between the organizing committee and the host city.")

The big-money man

BY JENNIFER WELLS

Dick Pound is wearing the most aggressive tie. Even from a distance, the thing blares bad taste. Up close, the Atlanta '96 stampkins that run all over it come into focus. Which does not make it any more appealing. Pound could care less. "It's just a ballboard," he says.

In fact, Dick Pound is much more than breathing signage for the Olympics. He is the hybridized holder of myriad Olympic offices, including executive board member of the International Olympic Committee and chairman of the New Sources of Finance Commission, the Centennial Working Group, the Television Negotiations Committee, and the Atlanta Co-ordination Commission, the list of which makes him the joint man between this summer's Atlanta Games and the IOC. All this and more aside, Dick Pound the second most powerful individual involved in the sport end of the Olympic movement, after President Juan Antonio Samaranch.

And none of this is Dick Pound's job. His Olympics command post for these various voluntary positions remains in the bowels of the downtown Montreal law offices of Sullivan, Elliott, where Pound heads the firm's tax division. The dapper of Sullivan is polished mahogany, little table lamps, a typical Establishment law

firm look. Pound's digs are as chaotic as ever, a two-bit office strewn with papers, Olympics memorabilia and the binders in which he catalogues the country's big tax cases, which he rates as a movie reviewer would, on a four-star scale.

Out of this jumble, over the course of a near 30-year official involvement with the Games, Pound has been credited with setting a movement that was all but moribund in the late 1970s, when, says Pound, the IOC was "down to a couple hundred thousand Swiss francs in a bank somewhere." In 1980, Samaranch stepped in as president. "One of the first and foremost problems that Samaranch had to do—and he turned to Pound to do it—was the financing, because without the financing there was no way the Games could continue," says Michael Payne, director of marketing for the IOC at its headquarters in Lausanne, Switzerland. "In 1984, the total revenues for the Olympic movement were a few hundred million dollars," says Payne. "This quadrennial total revenues will be in excess of \$3 billion (U.S.)." Payne says the transformation of this ephemeral, not-for-profit corporation has been "a classic turnaround in a business sense." And he gives Pound credit for being the chief architect.

Thirty-six years ago, Pound was swimming the 100-m freestyle in the Rome Olympics. He came in sixth. He won gold at the



Pound the No. 2 man in '96's Olympics

OLYMPICS

say he, including the '96 Winter Games in Nagano, Japan, which CBS has bid to up.

The premium for these closed-door talks, says Pound, came from NBC. He says he drew no assistance from outside economic analysts to signal whether what he was signing was a good deal for the IOC. "We've done some things often enough," says Pound of his deal dealings with Elberol, "that if you put slips of paper into a bowl, and I got one that said in this negotiation I am Dick Elberol, I know all his flaws. And he knows mine." Pound was concerned, however, "about getting into a deal based on projection and hope."

help the structure of future games.

Certainly it should enhance the sponsorship appeal of the Games, which is Payne's bullseye, and which Pound oversees. Pound not only meets with players like Elberol, he goes on one with IBM CEO Lou Gerstner and Coca-Cola CEO Roberto Goizman. There is much money at stake. In the two years since Lillehammer, Coke has probably paid up about \$650 million. And while other sponsorships, such as *Jaguar* and *Wendy's* of Fortna, have drawn some attention—"It sort of makes your hair stand up and end when you think about it," says Pound—it is hard-train player Coke that represents a symbiosis between gamesmanship and sponsorship.

And that could make Dick Pound look like a shill for the most Americanized, conspicuously commercialized Games ever.

The facts are somewhat different. In the Montreal Olympics, which left the taxpayers with a \$1.2-billion debt, there were more than 100 official sponsors. "The Olympic marks were stuck on anything, from bananas to ladies' underwear," says the IOC's Payne. "There was no control." The more appropriate precedent was the 1994 Summer Olympics in Los Angeles, where a heavy dose of corporate sponsorship propelled those the black in Atlanta.

ing like a complete dummy 13 years from now." To help prevent that, a three-per-cent inflation index was built into the license.

Ratcheting the souvenirs: the Atlanta approach just barely vented

Only time will tell whether cynical inflation will undermine the allure of the contract for the IOC, or whether a craving for advertising will get NBC parent General Electric Co. to wonder what they could have been thinking. Pound says NBC knows that the network will have no say in choosing future Olympic sites. He says he told Elberol that he should make his bid with the understanding that "none of the Games will be held in the United States."

The television deal, says A. D. Frazer, chief operating officer of ABC, "has become a powerful anchor to steady the Olympic cash flow." Certainly it provides a platform from which to build any future Olympic Games, a "financial safety net," Pound calls it. Bidding in television revenues, and taking conservative marketing sales into account, Pound estimates that whatever city successfully bids for 2004 can count on \$1.2 billion. "That fact sheet headlines, particularly for cities that do not have to shell out big money to build big stadiums. If you can't organize a party for \$1.2 billion, you're not doing it right." The caper for the IOC is an increase in its share of broadcast revenues, to 51 per cent from 40 per cent. Having the television rights in "safe hands," says Michael Payne, can only

Games into the black. In Atlanta, there are 43 major sponsors, which sounds almost small. On the other hand, the list, running from Home Depot to Kodak to Xerox, is lengthy, and, naturally, mighty American.

Faced with the suggestion of commercial overreach, Pound has always had a safe defense: There is not, and will not—at least not as long as Pound has anything to say about it—be any advertising in the sports venues themselves. That, he says, reflects the power of the IOC, which grants Olympic rights and very closely monitors them. The IOC's Payne offers the example of recent discussions with Rupert Murdoch, whose Fox network unsuccessfully sought the European rights. "We left \$600 million on the table," says Payne. "Which, if you were a private person, you probably would have jumped at."

Still, the advertising piece is fueled by the need to get the message out, and Pound is open to suggestions. He is currently pondering the merits of giving AT&T live-tv access, hooking up the winner of the moment with room and tied back home. "If it

CASHING IN

A total of 43 companies have paid about \$1 billion to buy into the Atlanta Olympics. There are three levels of sponsorships, each with its own price and perks.

Worldwide sponsors:

Top of the marketing pack, paying up to \$55 million each in cash and/or services for the right to plaster their works inextricably with any and all Olympic symbols, including the colored rings and any country's team logo. Get VIP access to Games seats, hotels, transportation and, occasionally, athletes.

Beusch & Lomb, Coca-Cola, IBM, John Hancock, Kodak, Panasonic, Time Inc./Sports Illustrated, United Parcel Service, Visa, Xerox

Centennial Olympic Games Partners:

The second tier, paying up to \$55 million each for the US rights to use the logos for the Atlanta Games or Team USA—but not the Olympic rings by themselves. Also get some choice seats.

AT&T, Budweiser, Champion, Delta Air Lines, Home Depot, McDonald's, Motorola, NationsBank, Swatch

Sponsors:

The last rung, coming up to \$30 million. The sponsors provide services to the Games and are limited in their use of logos.

American Gas Association, Anheuser-Busch, Blue Cross and Blue Shield, Borg-Warner Security, BMW, Brunswick Corp, Dial Corp, Georgia Power, General Mills, General Motors, Holiday Inn, International Paper, Jaguar and Wheel of Fortune, Merrill Lynch, Nissan, Randstad Staffing Services, Scientific Atlanta, Sensormatic, Texaco, Textron, World Travel Partners, WXIA-TV, York International



IT REPLAYS HOW WE FINISHED THE LAST RACE.



AND CHANGES HOW WE FINISH THE NEXT ONE.



For the Canadian National Rowing Team, finishing first is a matter of seconds. Which is why they use Panasonic's Palmcorder to record themselves training.

Unlike most camcorders, its PlayPak lets them review tapes in any VHS VCR instantly. So they can immediately see what will improve their technique next time. And nothing makes for a closer race quite like its 16:1 zoom, large 58mm lens and picture quality that rivals the real thing.

The Panasonic Palmcorder. It's how Canada's rowers get instant results.



Palmcorder
NO ORDINARY MACHINE

Official Worldwide Olympic Sponsor
Panasonic

OLYMPICS

doesn't work, if it turns out to be nothing but an AGAT promo, we'll pull the plug," he says. "It's a little like William Shakespeare and the 'Proverbs of Hell.' You never know how much is enough until you know how much is too much." But it was Blair, in the name of proverbs, who wrote "The road of knowledge leads to the path of wisdom."

Three weeks ago, Pound flew to Atlanta for the opening of the Olympic Stadium, one that after the Games will look like a free gift to Ted Turner and the Atlanta Braves. Pound has taken issue with the fact that ACOG had to pay for the stadium, which, he believes, should be backed at least in part by government. This would seem an unflattering position in these times of government restraint. But A. D. Frazier—they call him Al—has done there—agrees with him. The alternative route, the one Atlanta took, just barely worked. It will break even, says Frazier. "By the time it's over," he laughs, his desk top when he says it, A lot of the money counting, on the "sweaters, the shirts, these lovely ties," has not begun. It could not, says Frazier, have worked anywhere else. "No offense intended to any other country. It just paid this economy in extremely the richest and the deepest."

And a good thing, too. "These are our Centennial Games," says Pound. "If these characters stumble, they're gone. Aug. 5, they're history. We're around for the next 100 years. We have to live with it."

Dick Pound is 54. He won't be around for the next 100 years. A year ago, his immediate Olympic future appeared shaky. When the IOC executive voted on extending the tenure of membership in the age of 80, which in turn would offer to extend the tenure of Summers, now 75, Pound voted against. It was seen as Dick Pound's first big career-making move. Never, said the pundits, would Pound succeed Summers to the presidency.

When Pound did the NBC deal with IBM, the betting changed. Pound is a confederate agent. "If they're going on business ability," says James Wormald, the Canadian Olympic runner who succeeded Pound to the IOC in 1990, he has worked Summers to the presidency. In essence, Pound's sports roots, a connection that has been all but lost since his high-level wheeling and dealing.

Pound himself does not take the opportunity to do any advance campaigning. What would he do with the job if he had it? He chooses not to answer. "You don't," he says. "Just around the Games. I mean in a way." The comment suggests that for all his hard work, the way in which he has minimized the risk of the Olympics, there is more work to be done inside the virtual beltway. He does not elaborate. In the meantime, he is as stoned as his intuition as an Olympics work. "My partners say, 'Listen, as long as you have the same number of lifelines as we do, you can do all the Olympic s--- you like.'"



Big Red's Games: getting lost in the clutter?

camping. This is, undeniably, Big Red's Olympics. Its advertising theme is "For the fans," and its promotions range from pop-banding centres, folk-art exhibits and 70 Olympic-related billboards in Atlanta, to a 24,000-km relay through 42 states. The relay, says the event's director, Brendan Harris, is "our chance to share the Olympics with the rest of America." And, incidentally, to sell more soft drinks.

But Coke officials want to get one thing straight: despite unsubstantiated rumour to the contrary, they did not buy the Centennial Games for Atlanta six years ago, beating out the sentimental favorite, Adams Golf Toronto, as well. Executives note—somewhat testily—that while they are based in Atlanta, they do big business in every city that bid for the Games. And the marriage-made-in-marriage-beans of this year's world's largest beverage company and the world's largest sporting spectacular is hardly just one of convenience.

In Atlanta, it's the real thing

rence for the Atlanta Games—Coke has been an Olympic sponsor since the American Games of 1928. The key officials say, is stepping Coca-Cola to the very essence of the Olympics, an event that stirs the hearts of consumers around the globe. "The Olympics is not the icing on the cake," says Coke vice-president Chuck Frost. "It's the heart of the cake."

And what a cake it is. Coke, of course, is already ubiquitous in Atlanta, where playwright John Pemberton first concocted his now-famous syrup in 1888, mixing it up in a three-legged brass pot in his backyard. The home town's 26-store headquarters is a fixture on the downtown skyline, and its World of Coca-Cola Museum is a major tourist draw. The Olympic effort has added the 12-acre theme park (complete with a 65-foot-high Coke contour bottle) and a battalion of vending selling pop and souvenirs. Across the continent, the Red Hot Olympic Summer promotion is already blanketing TV and radio and showing up on cardboard store displays, U.S. and Canadian consumers can turn over bottle caps to win cash, prizes or trips to the Games. In another contest, Canadians can become torch-bearers on Canada Day—in Niagara.

Coke's Olympic marketing muscle, in fact, reaches more than 130 countries and raises an inevitable question: Is it overkill? Will Coke get lost in the clutter of corporate sponsors or float above the fray with its unprecedented spending? "I don't think they're doing too much," says Frank Craghill, managing director of Advantage International, a Virginia-based marketing consultant to LO Olympic sponsor. But out Coke! "I think they're being very smart, and I guess a lot of Olympic sponsors wish they could spend as much to leverage and integrate the Olympics with their overall marketing effort." Brian Swette, executive vice-president at rival Pepsi-Cola, admits he is seeing a decrease in the number of consumers who incorrectly identify Pepsi as the Olympic soft drink. And Coke officials have no intention of stepping with the Atlanta Games. On the night of closing ceremonies, the company will sponsor a fireworks bash 13,000 kilometres away in Sydney, Australia, commemorating the fact that the Summer Games—and another Coke blitz—will be coming to Sydney in the year 2000.

BOB LEVIN with CHRIS ROUSH and HENRY LINGER in Atlanta



CHRYSLER IS PROUD TO BE A SPONSOR OF CANADA'S OLYMPIC

TEAM. FOR IN EVERY ATHLETE, WE SEE THE VERY QUALITIES OF

THE THOUSANDS OF CANADIANS WHO BUILD OUR CARS: SKILL,

PRIDE AND THAT TURNING DESIRE TO GO FASTER, SOAR HIGHER

AND BECOME STRONGER THAN WE EVER THOUGHT POSSIBLE.

At Chrysler we're not just building cars, we're building Canada.



Official Sponsor of the
Canadian Olympic Team

COMPETING AGAINST THE WORLD'S BEST

Every four years, Canada sends its best athletes to meet the world at the Summer Olympic Games.

In addition to thrilling spectators with outstanding physical accomplishments, the Olympic Games provide a stage where countries can set aside their differences and come together as comradeship and competitors. It's a time when the world seems a little smaller, a little more harmonious, when we can forget what sets us apart.

Canada is proud to participate in this demonstration of global comradery and excellence. And the members of the Stentor Alliance are proud to support Canadian athletes as they participate and strive for excellence in today's and tomorrow's Olympics.

Through its sponsorship of the **Youth Olympic Program**—including the Adaptive-Athlete Challenge and the Olympic component of **SchoolWise**—Stentor is helping to communicate the Olympic spirit to Canada's young people.

With its members of the **United Stentor** is providing financial support to Canadian Olympic Association programs that help parents, teachers and students learn about the Olympic spirit.

Enabling communication and cooperation at home and around the world—it's what the Stentor Alliance members do best.

For more details about the **Youth Olympic Program** and the **Spirit of Canada** (find it or make it a donation, call



from Stentor, the alliance of Canadian youth relief service telecommunications companies.

ACT • BC TEL • Bell • Montreal • NBT • NBTel • NBTel • New Communications • NorthernTel • Quebec-Téléphone • SenTel

Crime

Teenage wasteland

A wave of youth crime raises alarm

The pretty outline of a school bus is an image virtually synonymous with safety: a protected environment where gain on the seats or a bully at the back is about as bad as problems get. But last week, a pair of gun-toting B.C. teenagers blew that illusion to bits, at the same time forcing concerns that youth crime is out of control. Armed with a stolen 357 Magnum handgun, two boys aged 16 and 17 hijacked a bus carrying 14 elementary schoolchildren, and demanded to be taken from Dawson in the Okanagan Valley to Ontario. Still shaken by the incident that ended without injury, bus driver Rod Scheer recalled that one youth seemed obsessed with the powerful weapon. "He kept rolling the barrel and playing with it," Scheer told Marianne. Both boys—who cannot be named under the provisions of the Young Offenders Act—seemed eerily unconcerned about the consequences. "They said they didn't trust anybody—the police or the courts or the authorities," Scheer said. "So I thought, I better not say anything stupid." I didn't think I was going to live through it."

Scheer's cool head has been credited with helping end the incident within three hours of the hostage-taking. During a stop at an RV dealership, where the boys tried to trade the bus for a motor home, Scheer convinced them to release eight of the younger children. Back on the highway, Scheer whizzed into his radio that the bus had been hijacked, resulting in a slow chase by police cruisers. Ninety minutes later, the boys surrendered to police, partly because Scheer helped persuade them. "The children, however, will likely live with the aftereffects for some time. "The worst thing," said Joe Stevens, owner of the RV dealership, "was seeing these kids—they were absolutely terrified. They were screaming and crying, so I hugged a couple and said it would be OK."

Mary Cavanaugh, however, worry that the country's youth are not OK. In Florida last week, 15-year-old Roberto Oliveira was murdered with a baseball bat, apparently by a gang seeking revenge against his 15-year-old brother. Elsewhere, two teenage boys were arrested for a May 21 incident in which shots were fired at passing cars near Castanville, northwest of Ottawa, nearly hitting two motorists. Earlier



ACMP emergency response team members Scheer (left), cool heads

last month, an 11-year-old Toronto boy—too young to be charged—was placed in the care of the Children's Aid Society after he was accused of raping a 15-year-old girl.

The news is not all bad. In March, Statistics Canada reported that the total youth court caseload fell by five per cent in 1994-1995, after a decade of steady annual increases. But Fred Matthews, a psychologist with Central Toronto Youth Services, says that after talking to thousands of school-age children, he believes many violent crimes still go unreported. "We don't want to panic, but we cannot ignore the fact that 30 per cent of those kids who they feel safe only some of the time or never while they are at school," he says. Trends such as the widespread use of crack cocaine, a tide of stolen handguns and too many over-stressed families are pushing more children towards vicious crimes, Matthews says. "We can't be taken from the truth," he warns. "This has to be taken seriously."

PATRICIA CHISHOLM with
JANET TROTTMAN in Vancouver

With these ultra-thin design and 24% water content, it's no wonder people have to remind themselves they're wearing them.

Acuvue Disposable Contact Lenses are so comfortable they will feel like they're a part of you. That's if you feel them at all. Which means for the first time, in a long time, you may actually forget that you were born with anything less than perfect vision. See your personal eye care professional for an examination, an important part of total eye care, and ask about a free trial pan.*

The ones to remember because they're so easy to forget.

ACUVUE
DISPOSABLE CONTACT LENSES
Johnson & Johnson

* Excludes all other professional fees and related costs. See your eye care professional for details.

People

Edited by
SHEARON DOYLE DREITZINGER



Adam: 'Nobody knows'

(Everything I do) I rhyme it for you

After a string of Oscar-nominated film themes and touchy-feely hit ballads, Vancouver's Bryan Adams is returning to his rock roots. The tale song of his just-released ninth album, *18 Til I Die*, could easily become a rocker anthem, while the funky *Do It* now owes its inspiration, Adams says, to soul singer James Brown. The CD includes several ballads, but the effusive musician says he hopes those tunes do not dominate in the way *Everybody I Do*. As for this record, to obliterate the rest of his 1991 CD, *Wake Up the Power of Three*. "Nobody listened to the rest of the album," complains Adams. As for Canadian complaints that he pronounces the letter Z as "zee" on the new CD, Adams pleads "artistic licence"—he needed a rhyme with "see."

A palm grows in Ireland

When Canadian producer-screenwriter Paul Denham first pitched his story idea for *Robin Hood: Prince of Thieves* (1996), he recalls that Hollywood executives told him "it's like a story that we've never seen." The movie, starring Kevin Costner, went on to gross \$600 million worldwide. Currently based in Los Angeles, Denham, 48, says he is "English by birth, Canadian by design—and I'm still trying to learn the ecosystem in Hollywood." Born in London, he moved to Toronto at 15, where he learned his craft with help from director Norman



The Sky beyond the stars

Amy Murray, Beba McDermott and Diana Ross are a few of the stars who have recorded the works of Canadian songwriter Amy Sky. Now, the 35-year-old mother of two plans to take centre stage herself. This fall, Sky will promote her first album, *Got Rite*, a collection of 12 soulful rock tunes, with a cross-country tour. But first, she has a role in the rock opera *Blond*

Sky: 'banging on for dear life'

Blond, which opened last week in Toronto, featuring Canadian actor Michael Biehn and Tins TV performer David Cassidy. "I feel like I am waterskiing behind this powerful boat," says Sky, a former actor, "and I'm hanging on for dear life." But she says she relates to her character, an impoverished author pressured to part with one of her twin sons—"We are both survivors." Skiving started out singing backup for rockabilly legend Rompin' Ronnie Hawkins in 1983. Sky now calls herself "an overnight success—that only took 13 years."

Live nun talking

Sister Helen Prejean was very much when actress Susan Sarandon called to propose a movie based on *Dead Man Walking*, her compelling book about her work with prisoners on death row. "I rushed out to meet Prejean and Louise," recalls the 57-year-old Boston Catholic nun from Louisiana. "I tried to picture her playing me." Prejean gave her blessing to the film after meeting with the actress and Tim Robbins, the film's director. "Tim does film he believes in," says Prejean. She has only one complaint about Robbins, who had to scribble "Stamp out nuns!" all over the margins of the script because "Tim had me saying lines like, 'God bless you, you're a saint!'" Since the film's release last December, the book—a strong argument against the death penalty—has become a best-seller, with an earthly reward of more than \$160,000 in royalties, in addition to \$235,000 in screen rights. In March, Prejean attended the Academy Awards and saw Sarandon win the Oscar for



Prejean: fighting the death penalty

best actress. At a party later, "I gave Whoopi Goldberg a hug and said, 'I guess we're Sister Act fans,'" laughs Prejean. Celebrity, the writing nun has discovered, is one more way of giving voice to others who don't have a voice.



Jewison. Now, Denham has written and directed *Moll Flanders*, a liberal adaptation of Daniel Defoe's 1729 classic, starring Robin Wright, Morgan Freeman and Stockard Channing. Shooting in Ireland, he created a lavish period film on a relatively modest budget of \$19 million. "The logistics were enormous," he says. "Every day, I gambled the entire movie." For the film's final scenes, which are set in the Caribbean, Denham had fake palm trees planted on the west coast of Ireland in April—then had to wait for it to stop raining. Hollywood North would be proud.

Denham: 'Every day, I gambled the entire movie'

Rumours



You're not sure where you heard it. Or when it's just something someone told you once (something you know). But rumors change. And myths unravel. And suddenly you realize that yesterday's rumors have made you miss out on one of life's great treats.

Like today's pork. It's time to stop thinking pork is fatty and hard to cook. It can be as lean as chicken, better value than beef. A quick and flavorful weeknight meal. And perfect for dinner with friends. Pork is the mouth-watering alternative your family would love more often to rise above the rumors. Discover the joys of today's tender, delicious pork.

And pass it on.

PORK

Feel free to love it

100g pork loin center cut chop, 1 1/2" fat, cooked and trimmed 8.2 g fat, cholesterol 35mg, sodium 60mg, cooked with skin 8.2 g fat

Give Yourself a Pat on the Back, Canada

Though it has less than 1 per cent of the world's population, Canada has carved out a wonderful place for itself in many fields of activity. Here, a look at our international eminence and the achievements that contributed to it — and how admirable Canada appears in the eyes of people elsewhere.

In the depths of the valleys which the Canadian economy has been blessed to visit from time to time, satirists used to ridicule Sir Wilfrid Laurier's prediction that the 29th century would belong to Canada. Now, it seems, our great seventh prime minister may have been right after all.

Who says so? No less an authority than the United Nations.

In August, 1995, it was announced that Canada had for the third time topped the UN Human Development Index. Out of 186 member nations ranked on how they stand in social advancement, Canada came first, immediately ahead of Switzerland and Japan. The HDI is a basket of statistics which determines the extent to which people in a country have a high standard of living, are educated and knowledgeable, and lead lives that are long and healthy.

Another objective study by the World Bank last year concluded that, while per capita income in Canada ranks 19th in the world, it actually has the world's second-highest society after Australia. The bank added up measurements on human and physical assets in 192 countries to arrive at its comparative comparisons of national wealth. In spite of all the economic storms that have caused so much human distress, Canada has proved a society of rising expectations that has fulfilled its promise to millions. Since 1922, the average Canadian's income in real constant dollars has doubled, doubled, and more than redoubled again.

As a result, Canadians today possess material goods beyond the imagining of ordinary people in developing countries. They have one of the world's highest rates of ownership of houses — usually good, big, well-furnished houses. The same applies to motor vehicles, recreational

equipment, and home appliances. Compared to people even in the developed countries of Europe, most Canadians can afford to eat very well — and clothe themselves well, too.

Only the Japanese live longer on average, while Canada has the world's second lowest infant mortality rate (four other countries share the first).

UN statistics show that Canada's wealth is more evenly distributed than in all but five other countries.

Canada is near the top of the list of nations in the percentage of national income spent on socially-desirable endeavours such as health care and education. In fact, more money is spent on learning in this country than anywhere but Finland and Switzerland. And it says something about social mobility in Canada that it has the highest percentage of post-secondary graduates of all industrial countries. Having begun its life as a nation 129 years ago with little industry or capital of its own, Canada has grown into the world's seventh largest economy. With close to 30 million inhabitants, Canada is the world's 29th most populous country, a little smaller than Colombia and a little larger than Morocco. Yet it is so close economic league with the historical giants of Europe that have twice its population, at least.

Canada's size as the planet's largest land mass after Russia was once considered a handicap by men overruled by its untamable reaches and daunting winter weather. But that very vastness was turned to advantage by Canadians as they steadily learned to overcome the harsh challenges of climate and terrain.

Although only about 5 per cent of Canada's land is considered arable, such a no huge totality that agriculture has proved a great boon to its international bank balance.

The task of coping with difficult conditions has created a corps of specialists in transportation, communications and civil engineering who now create their skills on consulting assignments the world over. Canadians are no longer hewers of wood and drawers of water. Canada's exports include a high percentage of sophisticated products such as aircraft and telecommunications equipment which vie with the best manufactured anywhere.

Canada's disproportionate stature in the global economy is matched by its stature in high-profile areas such as sports and entertainment. It is one of the few young countries to have invested an astronomical sport, ice hockey. A Canadian working in the U.S., Dr. James Naughton, invented basketball.

In international competition, Canadians have collected an astonishing 68 Olympic gold medals since 1920, plus numerous non-Olympic world championships.

Entertainers and musicians from Canada have gained fame on stage, movie and television screens everywhere. Among the list

to the popular impression that Canadians are congenitally dull, Canada has produced an inordinate number of internationally-known comedians and literary satirists. Canadian-born visual artists like Alfred Pellan and Jean-Paul Riopelle have taken the artistic circles of Paris by storm.

Canada has been an outstanding player in the big leagues of many other fields. It is one of the few nations to produce a whisky that is appreciated around the world. It is also one of the few to have a police force of world renown, the Royal Canadian Mounted Police, popularly known as the Mounties.

Canadians are merely unaware of how many things went wrong in their country. Canada is the home of the first practical marine engine, the steam-going steamship, the automatic fog horn, the oil well, the submarine cable, the patent roller, and the plug-in radio. Canadian inventions such as Abraham Gessner's Konover, Reginald Fessenden's radio wave transmission, and Armand Bombardier's snowmobile have found applications literally from pole to pole.

The best-known of many Canadian achievements in medical and pharmaceutical research was the discovery by

Canada is anything but perfect; it is merely the least imperfect country on earth.

Frederick Banting and Charles Best of insulin.

Canadians have proved as innovative in political science as they have been in the laboratory. Their most contribution to world politics was called responsible government.

Canada is possibly the only country to have peace, along with order and good government, as its guiding constitutional principle. It is certainly the only country whose best-known landmark is named the Peace Tower. While scientists in other countries were developing atom bombs, Canadian scientists were developing the cobalt bomb, used to treat cancer with nuclear radiation.

As Canadians who travel abroad are well aware, they believe in what is probably the world's most respected rationality. Canadians have won their respective reputation at the cost of much blood and treasure freely given in fighting for the right. Together, the two world wars took 110,000 Canadian lives.

Canada denotes a higher proportion of its gross national product to international aid than any other developed countries with larger economies.

From colonial times, Canada has provided new homes for the landless and the hungry of older societies. Immigrants have become the most vocally patriotic of Canadian citizens. Unlike born Canadians, they are not inclined to take for granted the good things of life, Canadian-style.

But Canada's greatest advantages cannot be seen or tasted or felt. They lie in things like civility in the relative absence of class distinctions, in a viable justice system, and in high standards of public civility which prevent corruption from preying on the poor and powerless. They lie in equality, in individual liberty, in freedom of expression, in the prospect of living and raising families in an atmosphere in which people of different religious and racial origins can live together without strife.

Canada still has its inequalities, its injustices, its internal tensions, its prejudice. It faces serious economic and political problems, and its very future as a united nation now seems to be hanging in the balance. Canada is anything but perfect, it is merely, the least imperfect country on earth.

The above is an excerpt from the spring, 1996, Royal Bank Letter which is available at all Royal Bank and Royal Trust branches and on the Internet at www.royalbank.com/en/english/library/letter.html



you

I've worked
money. And I
hard for me.
do more. I w
the countless
I've planned a
Toronto's Mos
The people at
Hispani

The people at Mount Sinai Hospital shared me here. I could buy a life insurance policy payable over a five-year period, that results in a charitable tax receipt and cuts the cost of

Good

make my money work for my community, not only during my lifetime, but beyond.



Mount Sinai Hospital has expert gift planners who can customize your giving to fit your needs.



MOUNT
SINAI
HOSPITAL

Books

The New Age has been good to James Redfield

alone. "Our watchword is to go slowly," says the former Montana youth counselor as his bodiless dream "I like to follow my intuition and take my precious hours and use things well." Not that anyone these days is likely to question Redfield's stance on waiting for attractions from within. In the first years since he started out publishing his rejection letters, he spent his late evenings printing his spiritual killer, then peddling it from the trunk of his car; he was managed to confound his corporate vendors of the world's multimedia conglomerates. With 5.8 million copies sold in 25 countries and a strange hold on the top spot of *The New York Times* best-seller list for the past 126 weeks, *The Divine Proportion* has become not so much a work of fiction as a pre-millennial phenomenon.

Indeed, since the recent release of a sequel called *The Tenth Knight*, he laments that there are likely two more volumes to come. "Entertainment Weekly magazine raved about it as a 'cottage industry'—that just might transform the well-worn 90-year-old genre into a *Martha Stewart of the soul*." But for Redfield, things are merely proceeding according to plan—or at least according to hunch. "I definitely had the



The author, from youth counselor to a climb up the desert-sky for

landscape, an Appalachian valley not unlike the one where he experienced his own first sexual vision.

Once again, reviewers have lamented Redford's simplistic summaries and his proscribed style. But, in a protest perhaps unique among fiction writers, he insists they are no accident. "I keep emphasizing it's not a great American novel," he says. "It's a parable and you write parables a different way. I wanted it to be as accessible as possible."

As the sequel opens, the narrator, who so happens to be a former youth counselor, has already strayed from the Celestine path when he receives word that a woman friend has disappeared in the course of tracking her through the desert. When a road shows up as up to no good, he gets a rebelious course in the first nine nights, not in accord in a hazy view of human history, thanks to assorted other worldly help. The book is, in part, a reply to intellectual critics who accused that, contrary to his professed intention of a meditation of a spiritual ascension, the world is being led to hell in an economic and environmental hand basket response; the messengers can only be overruled by keeping the faith, or, as his wife puts it, "Hold the Vision."

While writing, Redfearn was struggling to hold on to his philosophical vision in the face of overwhelming success. "I'd just sort of lost the game and pretend nothing had happened," he says. "The only fear was I'd get caught up in the hoopla."

Still, that resilience kept many in Hollywood rattled. And despite blandishments from suitors as varied as Toronto's Alliance for Cultural Innovation Corp. and actress Demi Moore, he has refused to relinquish the film rights, insisting on "an adult cast and director," he

More than once he has been on the verge of making a deal, he explains, and then, "I'll get an image of myself backing off—and then I'll back off." Until a more positive premonition comes along, he is not afraid of the vast but how he will know when the thing is, at last, right? The man known as the Colombine prophet smiles. "We'll just know," he says.

MARILEE MCDONALD

Theatre

Diabolically good diversions

BY JOHN REMROSE

In the pleasant streets of Niagara-on-the-Lake, Ont., a two-hour drive from Toronto, actor-sporting is something of a local sport. That multi-faced fellow riffling along on his bicycle is Michael Ball. Two hours later, he will transform himself into the Mysterious Earl of Cameroun in the Shaw Festival's superb production of Oscar Wilde's comedy *An Ideal Husband*. And that woman playing with her preschooler in the shade of a female garden is Sherry Platt, one of the stars of the American Christie mystery *The Hollow Ball*. Platt and the rest of the festival's 60-member ensemble may not be household names in Canada—at least not to the extent that their counterparts are in Britain. But for those lucky enough to watch them over the years, the opening of the festival's 35th season is a chance to see some favorite actors take on new challenges with the precision and élan that have made them one of the finest repertory companies on the continent.

The festival—which runs until Oct. 25—currently has five productions on the boards, with six more to come later in the summer. Success at the box office is crucial for the 1996 playbill if the festival is to continue to long climb back to financial health. Last year, it set a record for box office receipts, with ticket sales of 250,000 accounting for more than \$5 million—about three-quarters of the Shaw's annual \$22-million budget. And although government subsidies have been steadily shrinking (they now make up only about nine per cent of total revenues, down from 18 per cent two years ago), with fund-raising adding another 10 per cent, the festival has been able to reduce its accumulated deficit to \$780,000 from \$838,000. "The Shaw is not in a crisis at the moment," says art-



Scene from *The Devil's Disciple*: Jane and revolution

istic director Christopher Newton. But he foresees a further erosion of grants—already proportionately much smaller than those given to comparable theatres in Europe.

Meanwhile, the shows go on. Shaw's pre-feminist *The Devil's Disciple* has much verve and ably is directed by Christopher Newton. But he foresees a further erosion of grants—already proportionately much smaller than those given to comparable theatres in Europe. Meanwhile, the shows go on. Shaw's pre-feminist *The Devil's Disciple* has much verve and ably is directed by Christopher Newton. But he foresees a further erosion of grants—already proportionately much smaller than those given to comparable theatres in Europe.



Jim Murno in *Ludlow*: director Neil Munro enjoys risk

'Explosions' from an agent provocateur of the stage

Neil Munro is sitting in the garden behind the Festival Theatre, clucking. It is a tender's laugh—so rough, self-enjoying rattle with a touch of the devil in it. Munro, the director of *Rosamunde* at this year's Shaw Festival, is talking about the wildly varying reactions to Dr. Jekyll & Mr. Hyde & Love Story, which he directed last year in Winnipeg (it also travelled to Toronto, Calgary and Vancouver). Among the noisy letters he received was one from a member of Menno, the high-Q group. "He said it was intensely thought-provoking, courageous and wonder-

ful," Munro recalls. "At the same time, I got this other letter from a woman who called it the biggest piece of crap she'd ever seen. You have to wonder if they'd seen the same play." Adds Munro, with a mischievous chuckle: "I sent them each other's letters."

There has always been a provocative side to Munro, who turns 50 in July. This, after all, is the director and playwright who once

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Schard Dudgeon (Gertrude Road), whose puritanical identity is confused that he has made a pact with the Prince of Darkness. But, start, his cynical, conversation-flouting manner hides a good heart. When he is arrested by British troops who believe he is Rev. Andrew Anderson (Frederic Hart), a local rebel leader, Richard saves himself by refusing to tell the British of their mistake.

The love triangle that arises among Anderson, his wife, Judith (Sarah O'Sullivan), and Richard is so vividly conveyed that it takes the afternoon escape look as innocuous as *Swanee Street*, but portrays Anderson's troubled identity very convincingly. While Christiana (Linda Kozlowski) leads her character from timid to wily and courage, but the great discovery of this production is not, as a 25-year-old Niagara-on-the-Lake native who is appearing in his first major role at Shaw. Right from the first moment that he tall, dark-haired actor appears, slouching effortlessly in a doorway, Road commands the stage, his physical magnetism born not so much by a moral intensity that is equally beguiling.

Among the other shows, perhaps the finest is *An Ideal Husband*, directed by Duncan Mackintosh and held over from last year because of its great popularity with both critics and audience. Set in London in 1890, the play focuses on a Victorian Sir Robert Chiltern (Norman Browning), and his devoted wife, Lady Chiltern (Regina Robertson), whose happy life threatens to come crashing down when an unscrupulous adventurer, Mrs. Breevley (Jan Alexander Smith), threatens to make public a dark secret from Robert Chiltern's past. The rest does an excellent job of making that adulterous territory where private and public society intersect, making very relevant questions

Sherry Platt, Karen Wood in *An Ideal Husband*: only an 'ideal'



The new Shaw Festival features devilishness and delight

about to end on a hopeful note by introducing an abandoned baby—which one of the characters adopts—is gratifying. Perhaps among the weakness of the musical, the actors try too hard. And Linda Frankish's set is conventionally corny: its towering bamboo forest looks like a first-century view of the harem on a dog's back as imagined by The Four Seasons' Gary Larson. Still, for nine out of 10 in a pretty good production, the Shaw Festival were a baseball team, it would be leading the league. □

have watched even if I knew I was in it."

Borned out as an actor, and with not enough time to direct jobs to sustain him, the 1980 offer of a directing job at Shaw came at just the right time, Munro says. He now lives in Niagara-on-the-Lake with his wife, painter and teacher Carole Lombard. But for every Saint Joan that Munro directs, he has to take on several plays that, whatever their merit as entertainment, are for sheer classiness. "I've been caught in a kind of bind, making plays look better than they are," he says, adding, "it's an interesting challenge—if the core of the play is interesting enough."

Munro would seem to be in such a play "it has these moments of pseudo-profund-

ity woven into the dialogue, which are sort of out-of-date now," Munro says. "But it's fun to misread and refuse them, so they're valuable to the core." "I've really excited Munro is the prospect of working on misinterpretations by such Shaw staples as British playwright Henry Granville Barker. "When the right actors and the right play come together, the explosion is extraordinary," he comments. Munro says he loves it when he has to direct classiness. "I've been caught in a kind of bind, making plays look better than they are," he says, adding, "it's an interesting challenge—if the core of the play is interesting enough."

Munro would seem to be in such a play "it has these moments of pseudo-profund-

Allan Fotheringham

The supremely risky business of satire

Sally, goes an old Broadway saying, is something that dies on Saturday night. It's a very tricky medium. seldom to be tried, perhaps, in crisis.

Your dental agent pleads guilty to attempting some "inside baseball." Playing playful games on the assumption that everyone is in on the game. The other day, in this space, there was a reference to George Gerbasi's "and his sister too."

This is an old showbiz joke. It differs from when the famous American composer first arrived in Britain and the terribly serious Times of London reported that Gershwin was accompanied by "his lovely sister Ira." The joke is a quantity of Michael Feinstein, the brilliant young pianist who is a fixture in New York clubs and in concert with his own man show playing only Gershwin tunes, with nods of appreciation to "his lovely sister Ira."

Norman Jewison, the celebrated film guy, was the first to fall in to my net, phoning in incredulous tones to inform me that he was a brother. Oh dear I await the avalanche of letters. My sharp researcher at Maclean's got the joke. Thousands of others will not. Satire dies on Saturday night. Oh dear

I once worked on a newspaper where the publisher had the quaint idea that the columnist who got the most mail was the most valuable. He would regularly browse past the office mail slots to check the volumes. An old sports columnist, beset down with gin and barely hanging on, was shrewd enough to know how to flummox the publisher was. Periodically, he would write about Babe Ruth hitting 715 home runs. Every club and armchair jock knew that the Sultan of Sent hit 714 homers and the office boy developed a schema carting in the letters. The publisher, passing by, would view the balmy mail in the slot. Confound newsworld.

Bill Fletcher, the late business editor of *The Haverhill Star*, once attempted the very dangerous art of satire. There was a dispute over the parking problems in the downtown business core. Dead pan, he advised in his column that the solution was simple. Nearby Stanley Park had all those useless cars. Why not cut them all down, cover the whole thing with asphalt and problem solved.

Oh dear Bill was a great reporter but he wasn't exactly a top dancer on the typewriter. It took him several weeks, and too

many columns, to explain that he was trying to be funny. If you have to explain the joke, you're lost.

On the political field, we have just witnessed a satire of how a free man can win a political election. Gordon Campbell, who obviously should go into vaudeville, had his Liberals in an extremely tight lead—albeit by 25 points in the polls—until someone managed to blow it. How do you do this? It takes some talent. First of all, you betray the voters and anyone you don't have to campaign. Never sit on a lead, as the jocks (Della here, Babe) will tell you. Next, arrogantly treat the other three centrist parties who should be your allies as bush once leopards, not worthy of attention. When that doesn't work, it's to blame them into your seat. That's about a brilliant as poor Fletcher's Stupid Proficiency.



Nest, have a wife who is no longer the confidante she was when he first met her; her husband "likes to govern, so he doesn't like politics." This is like saying a horse likes the gold cup in the garden of roses in the winning circle, but doesn't like to race. (I know certain journalists who like book tours and the thrill of publishing a best-seller, but don't actually like writing.)

Best of all, schedule a highly publicized fund-raising dinner in the most expensive Vancouver hotel that can be found and have the television cameras record, for all to see, the glitterati from the upcoming concert descending from their limos and not so far as can be seen ascribed, heads up for the food bank.

All the while, humble little Glee Clark, son of a union organizer, somehow is allowed to convert himself into a defender of the middle class. The middle class? Whenever is someone who has a sailboat and a cottage at Winchester when finding time to get off the tennis court. It is a remarkable feat to blow a 25-point lead and lose an election. Against a governor at that for five years couldn't figure out a way out of staged scandal over barge parties and then topped it off with NYU insiders getting their families into juicy rewards on a B.C. H&M scheme in Pakistan that somehow got detoured through bank accounts in the Corman Islands.

If you can't whip a paddy like that, you don't deserve to be in the business. Just to top it all off, you win 42 per cent of the popular vote—three more than your opponents—and still lose the election. That's satire at its sincerest.

There are a lot of satirical figures in our politics. Lucio Bocharde, who changes parties as often as he changes shirts. A congressman of Nova Scotia who blames the dead Woutry mine for their deaths. The Red Cross, which now resembles Curly, Mo and Lucius in blaming not the blame over blood.

We won't even mention the gang in Ottawa, which with the Pearson airport confusion, the Aerbus fiasco and the GST, is not running zip-nothing in the credibility league. Gordon Campbell has a lot of company, and should feel warm in their embrace.



At a
Moment
like this

It's about appreciating the little things in life. We believe it's that salvation which separates our God-children from the rest of the crowd. You see, **it's not**...

It's **about** being prepared for the unexpected. They know that our automatic theft and damage purchase protection and Collision Damage Waiver coverage is really just peace of mind, for themselves and their families.

A Gold MasterCard card offers a wide range of significant business and personal advantages reserved for those who know there are more important things in life than just **status**.

Life is full of special moments
why not make yours golden.



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ETERNITY



Calvin Klein
eau de toilette

